September 7, 2005

In re UAL Corporation, et al.

Summary Going Concern Valuation Report (Preliminary Draft)

ROTHSCHILD

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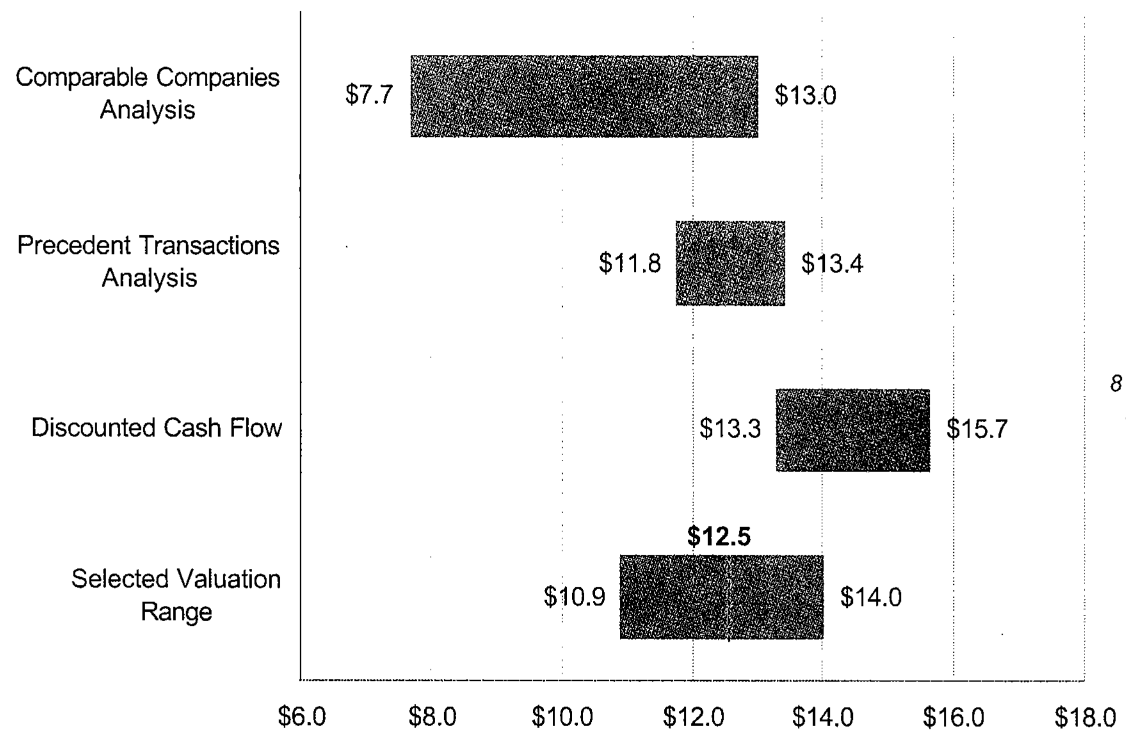
1. Preliminary Valuation

1.1 Summary enterprise valuation range

The summary TEV range of $10.9 billion and $14.0 billion set forth below is based on an equal weighting of the three methodologies

Enterprise valuation range ($ in billions)



COMMENTS

6.8x – 11.6x 2005E PF EBITDAR
3.4x – 5.8x 2006E EBITDAR

10.5x – 12.0x 2005E PF EBITDAR
5.3x – 6.0x 2006E EBITDAR

8 – 9% discount rate; terminal values based on perpetuity growth rates of 0%, 1% and 2%
11.8x – 13.9x 2005E PF EBITDAR
5.9x – 7.0x 2006E EBITDAR

9.7x – 12.5x 2005E PF EBITDAR
4.9x – 6.3x 2006E EBITDAR

1. Preliminary Valuation

1.2 Summary equity valuation

Total Equity Value is derived by subtracting net debt from TEV and adding Rothschild's valuation of the Company's NOL

The range of Total Equity Value is $0.3 billion to $3.5 billion, with a mid-point value of $1.9 billion

Implied Total Equity Value and implied Total Enterprise Value multiples analysis ($ in millions)

	Low	Mid	High
Selected Total Enterprise Valuation Range	**$10,903**	**$12,469**	**$14,034**
Net Debt[1]	(11,731)	(11,731)	(11,731)
Implied Equity Value (excl. NOL)	**(828)**	**737**	**2,303**
Plus: NOL Valuation	1,148	1,148	1,148
Total Equity Value	**$319**	**$1,885**	**$3,451**

Notes

(1) At assumed Emergence date of December 1, 2005, Net Indebtedness includes Long Term Aircraft Debt of $6.0 billion, Exit Financing of $2.5 billion, Capitalized Aircraft Rent (capitalized at 7x 2006E Aircraft Rent Expense) of $3.5 billion, Municipal Bonds of $510 million, O'Hare Convertible Bonds of $150 million, PBGC Notes of $500 million (par value), Employee Notes of $709 million (par value), Minority Interest of $6 million, and PBGC Preferred Stock of $500 million, less Unrestricted Cash of $2.7 billion

2. Comparable Companies Analysis

2.1 Summary overview

The Comparable Companies Analysis provides insight into how the public markets value comparable businesses with similar industry and growth profiles to UAL

- For UAL, this analysis is inherently challenged given the dramatic conditions facing the industry, which include a host of factors some of which are set forth below
  - Post 9/11 operating environment
  - Fuel price volatility
  - Burdensome legacy costs and pension liabilities
  - Continued growth of internet ticket purchases resulting in increased pricing pressures
  - Fiercely competitive environment due to industry overcapacity and LCC penetration
  - Widespread financial distress among North American NCs

- Based on these factors, Rothschild considered a range of companies in its Comparable Companies Analysis
  - North American NCs, including both current and historical multiples[(1)]
  - Domestic LCCs
  - Selected international carriers

Notes
(1) For purposes of comparable valuation, current network carriers are focused on American, Continental and Air Canada

2. Comparable Companies Analysis

2.1 Summary overview (cont'd)

- Rothschild ultimately incorporated the network carriers' current and historical market multiples into the Comparable Companies Analysis, with the preponderance of its weighting on the current market multiples of the NCs
  - LCCs and selected international carriers were excluded from the Comparable Companies Analysis due to their vastly different business models

The Comparable Companies Analysis implies a Total Enterprise Value range of $7.7 billion and $13.0 billion, with a midpoint value of $10.3 billion

3. Precedent Transactions Analysis

3.1 Precedent Transactions Analysis overview

The Precedent Transaction Analysis provides a valuation range based on analysis of M&A and recapitalization transactions that have similar risks and opportunities as United

For the purposes of valuing United, Rothschild focused on 11 change of control transactions for domestic and international carriers with Total Enterprise Values in excess of $600 million

The precedent transactions analysis implies a TEV range for UAL of $11.8 billion to $13.4, with a midpoint value of $12.6

4. Discounted Cash Flow Analysis

4.1 Discounted cash flow analysis overview

The DCF analysis values the Company's business plan by discounting future cash flows at a rate reflecting the company-specific risk factors and an assumed time value of money

- Based on projected cash flows through December 31, 2010 per Gershwin 6.0, the Debtor's current business plan
- Cash flows potentially impacted by
  - General macroeconomic conditions
  - Disruptive industry forces
  - Successful reorganization / capitalization of UAL for its exit from Chapter 11
- The projections are discounted to November 30, 2005, the assumed confirmation date, using a discount rate equal to the weighted average cost of capital (the "WACC") ranging from 8.0% to 9.0% which considers the weighted average of the marginal costs of all sources of capital
  - 8.0% to 9.0% is generally consistent with the historic WACC for peers in the airline industry
- Terminal value calculated using the perpetuity growth methodology
  - Assumes a rate of growth of free cash flows in perpetuity with capital expenditures adjusted to reflect normalized long-term aircraft related capital spending requirements
    - Assumed perpetuity growth rates of 0.0%, 1.0% and 2.0%, brought back to present value as of November 30, 2005 using a discount rate of between 8.0% - 9.0% as discussed above

DCF analysis implies total enterprise value of $13.3 – $15.7 billion (1)

Notes
(1) Utilizing an 8.5% discount rate and perpetuity growth rates of 0.0%, 1.0% and 2.0%

5. Preliminary NOL Valuation

5.1 NOL valuation summary

Since an NOL provides a tax shield on future earnings, its value is typically reflected in the equity of an enterprise. Rothschild's NOL valuation reflects the present value of the savings achieved by the pre-tax income shielded by the loss carry forward

Rothschild relied on the following assumptions in valuing the NOL[(1)]

- UAL estimates NOL of approximately $7.5 billion as of December 1, 2005 [(2)]
- Based on tax planning assumptions and pursuant to Section 382 (l)(6) of the Internal Revenue Code ("IRC") and other relevant IRS notifications, the Company has projected that its average limitation approximates $1.2 billion per annum [(3)]
- 37.3% effective tax rate as per Gershwin 6.0, the Debtor's current business plan
- The discount rate assumption of 20-30% is the adjusted cost of equity based on NOL application after interest expense deductions

- Rothschild's analysis suggests a range of value for the Company's NOL of $1.1 billion to $1.4 billion
  - For purpose of calculating Total Equity Value, Rothschild relied on a $1.1 billion valuation of UAL's NOL, as it represents the high end of the discount range (30%), thereby accounting for potentially disqualifying future changes of control and changes in the IRC

Notes

(1) UAL and its tax advisors continue to refine the assumptions regarding the NOL and its treatment; assumptions are subject to change
(2) Assumed exit date in G6.0, the Debtor's current business plan
(3) For illustrative purposes only, the amount shown here is the average over the projection period. Per management estimates, the period adjusted Section 382 NOL limitation from 2006 - 2010P is estimated in the millions to be $741, $1,841, $1,441, $1,141 and $941 respectively