

**UAL CORPORATION AND SUBSIDIARY COMPANIES**  
**STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)**

(In millions, except per share amounts)

(In accordance with GAAP)	<b>Three Months Ended</b>		<b>%</b>
	<b>December 31,</b>		<b>Increase/</b>
	<b>2007</b>	<b>2006</b>	<b>(Decrease)</b>
Operating revenues:			
Passenger - United Airlines	\$ 3,797	\$ 3,389	12.0
Passenger - Regional Affiliates	765	698	9.6
Cargo	223	193	15.5
Other operating revenues	245	306	(19.9)
	<u>5,030</u>	<u>4,586</u>	9.7
Operating expenses:			
Aircraft fuel	1,432	1,139	25.7
Salaries and related costs	1,112	1,052	5.7
Regional affiliates (a)	765	700	9.3
Purchased services	366	319	14.7
Aircraft maintenance materials and outside repairs	306	241	27.0
Depreciation and amortization	231	228	1.3
Landing fees and other rent	222	232	(4.3)
Distribution expenses (Note 4)	183	174	5.2
Aircraft rent	99	97	2.1
Cost of third party sales	78	143	(45.5)
Special operating items (Note 5)	-	(6)	(100.0)
Other operating expenses	300	244	23.0
	<u>5,094</u>	<u>4,563</u>	11.6
Earnings (loss) from operations	(64)	23	-
Other income (expense):			
Interest expense	(155)	(212)	(26.9)
Interest income	66	76	(13.2)
Interest capitalized	5	5	-
Gain on sale of investment	41	-	-
Miscellaneous, net	9	9	-
	<u>(34)</u>	<u>(122)</u>	(72.1)
Loss before income taxes and equity in earnings (loss) of affiliates	(98)	(99)	(1.0)
Income tax benefit	(43)	(39)	10.3
Loss before equity in earnings (loss) of affiliates	(55)	(60)	(8.3)
Equity in earnings (loss) of affiliates, net of tax	2	(1)	-
Net loss	<u>\$ (53)</u>	<u>\$ (61)</u>	(13.1)
Loss per share, basic and diluted	<u>\$ (0.47)</u>	<u>\$ (0.55)</u>	
Weighted average shares, basic and diluted	117.7	116.0	

See accompanying notes.

(a) Regional affiliates expense includes regional aircraft rent expense. See Note 3 for more information.

**UAL CORPORATION AND SUBSIDIARY COMPANIES**  
**SUCCESSOR AND PREDECESSOR COMPANY**  
**STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)**  
(In millions, except per share amounts)

(In accordance with GAAP)	<u>Successor</u> <u>Twelve Months</u> <u>Ended</u> <u>December 31,</u> <u>2007</u>	<u>(Note 2)</u> <u>Combined</u> <u>Periods Ended</u> <u>December 31,</u> <u>2006</u>	<u>Successor</u> <u>Period from</u> <u>February 1</u> <u>to December 31,</u> <u>2006</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1</u> <u>to January 31,</u> <u>2006</u>	<u>%</u> <u>Increase/</u> <u>(Decrease)</u>
Operating revenues:					
Passenger - United Airlines	\$ 15,254	\$ 14,367	\$ 13,293	\$ 1,074	6.2
Passenger - Regional Affiliates	3,063	2,901	2,697	204	5.6
Cargo	770	750	694	56	2.7
Special operating items (Note 5)	45	-	-	-	-
Other operating revenues	1,011	1,322	1,198	124	(23.5)
	<u>20,143</u>	<u>19,340</u>	<u>17,882</u>	<u>1,458</u>	4.2
Operating expenses:					
Aircraft fuel	5,003	4,824	4,462	362	3.7
Salaries and related costs	4,261	4,267	3,909	358	(0.1)
Regional affiliates (a)	2,941	2,824	2,596	228	4.1
Purchased services	1,346	1,246	1,148	98	8.0
Aircraft maintenance materials and outside repairs	1,166	1,009	929	80	15.6
Depreciation and amortization	925	888	820	68	4.2
Landing fees and other rent	876	876	801	75	-
Distribution expenses (Note 4)	779	798	738	60	(2.4)
Aircraft rent	406	415	385	30	(2.2)
Cost of third party sales	316	679	614	65	(53.5)
Special operating items (Note 5)	(44)	(36)	(36)	-	22.2
Other operating expenses	1,131	1,103	1,017	86	2.5
	<u>19,106</u>	<u>18,893</u>	<u>17,383</u>	<u>1,510</u>	1.1
Earnings (loss) from operations	1,037	447	499	(52)	132.0
Other income (expense):					
Interest expense	(661)	(770)	(728)	(42)	(14.2)
Interest income	257	249	243	6	3.2
Interest capitalized	19	15	15	-	26.7
Gain on sale of investment	41	-	-	-	-
Miscellaneous, net	2	14	14	-	(85.7)
	<u>(342)</u>	<u>(492)</u>	<u>(456)</u>	<u>(36)</u>	(30.5)
Earnings (loss) before reorganization items, income taxes and equity in earnings of affiliates	695	(45)	43	(88)	-
Reorganization items, net (Note 7)	-	22,934	-	22,934	(100.0)
Earnings before income taxes and equity in earnings of affiliates	695	22,889	43	22,846	(97.0)
Income tax expense	297	21	21	-	NM
Earnings before equity in earnings of affiliates	398	22,868	22	22,846	(98.3)
Equity in earnings of affiliates, net of tax	5	8	3	5	(37.5)
Net income	<u>\$ 403</u>	<u>\$ 22,876</u>	<u>\$ 25</u>	<u>\$ 22,851</u>	(98.2)
Earnings per share, basic	<u>\$ 3.34</u>		<u>\$ 0.14</u>	<u>\$ 196.61</u>	
Earnings per share, diluted	<u>\$ 2.79</u>		<u>\$ 0.14</u>	<u>\$ 196.61</u>	
Weighted average shares, basic	117.4		115.5	116.2	
Weighted average shares, diluted	153.7		116.2	116.2	

See accompanying notes.

(a) Regional affiliates expense includes regional aircraft rent expense. See Note 3 for more information.

NM Not meaningful.

**UAL CORPORATION AND SUBSIDIARY COMPANIES**  
**CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)**  
(In millions)

(In accordance with GAAP)	Three Months Ended December 31,		%	Twelve Months Ended December 31,		%
	2007	2006	Increase/ (Decrease)	2007	2006	Increase/ (Decrease)
Cash flows provided by operating activities	\$ 132	\$ 293	(54.9)	\$ 2,134	\$ 1,562	36.6
Cash flows provided (used) by investing activities						
Net (purchases) sales of short-term investments	604	(309)	-	(1,983)	(235)	NM
Additions to property and equipment	(230)	(110)	109.1	(658)	(362)	81.8
Proceeds from the sale of investment	128	-	-	128	-	-
Purchases of EETC securities	(20)	-	-	(96)	-	-
Other, net	15	18	(16.7)	49	347	(85.9)
	<u>497</u>	<u>(401)</u>	-	<u>(2,560)</u>	<u>(250)</u>	NM
Cash flows provided (used) by reorganization activities	-	-	-	-	(23)	(100.0)
Cash flows provided (used) by financing activities						
Proceeds from Credit Facility	-	-	-	-	2,961	(100.0)
Repayment of Credit Facility	(500)	-	-	(1,495)	(175)	NM
Repayment of other long-term debt	(108)	(119)	(9.2)	(1,257)	(688)	82.7
Repayment of DIP Financing	-	-	-	-	(1,157)	(100.0)
Proceeds from issuance of long-term debt	-	-	-	694	-	-
Principal payments under capital leases	(117)	(33)	254.5	(177)	(104)	70.2
Decrease in capital lease deposits	80	-	-	80	-	-
Other, net	12	11	9.1	8	(55)	-
	<u>(633)</u>	<u>(141)</u>	348.9	<u>(2,147)</u>	<u>782</u>	-
Increase (decrease) in cash and cash equivalents during the period	(4)	(249)	(98.4)	(2,573)	2,071	-
Cash and cash equivalents at beginning of the period	1,263	4,081	(69.1)	3,832	1,761	117.6
Cash and cash equivalents at end of the period	<u>\$ 1,259</u>	<u>\$ 3,832</u>	(67.1)	<u>\$ 1,259</u>	<u>\$ 3,832</u>	(67.1)

**Reconciliation of cash and cash equivalents to total cash and cash equivalents, short-term investments and restricted cash:**

	As of December 31,		%
	2007	2006	Increase/ (Decrease)
Cash and cash equivalents	\$ 1,259	\$ 3,832	(67.1)
Short-term investments	2,295	312	NM
Restricted cash	756	847	(10.7)
Total cash and cash equivalents, short-term investments and restricted cash (a)	<u>\$ 4,310</u>	<u>\$ 4,991</u>	(13.6)

(a) See Note 11[i] for the Company's computation of free cash flow

**CONSOLIDATED NOTES (UNAUDITED)**

- (1) UAL Corporation ("UAL" or the "Company") is a holding company whose principal subsidiary is United Air Lines, Inc. ("United"). On December 9, 2002, UAL, United and twenty-six direct and indirect wholly-owned subsidiaries filed Chapter 11 petitions for relief in the U.S. Bankruptcy Court for the Northern District of Illinois. On February 1, 2006, the Company emerged from Chapter 11.
- (2) In connection with its emergence from Chapter 11 bankruptcy protection, the Company implemented fresh-start reporting in accordance with American Institute of Certified Public Accountants' Statement of Position 90-7, "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code." As a result of the application of fresh-start reporting, the financial statements prior to February 1, 2006 are not comparable with the financial statements after February 1, 2006. However, the successor period for the twelve months ended December 31, 2007 has been compared to the combined Successor and Predecessor periods for the twelve months ended December 31, 2006. The Company believes that these comparisons provide management and investors a useful perspective of the Company's on-going financial and operational performance and trends. References to "Successor Company" refer to UAL on or after February 1, 2006, after giving effect to the application of fresh-start reporting. References to "Predecessor Company" refer to UAL prior to February 1, 2006.
- (3) United has contractual relationships with various regional carriers to provide regional jet and turboprop service branded as United Express. Under these agreements, United pays the regional carriers contractually agreed fees for crew expenses, maintenance expenses and other costs of operating these flights. These costs include aircraft rents of \$105 million and \$107 million for the three months ended December 31, 2007 and 2006, respectively, and \$425 million and \$437 million for the twelve months ended December 31, 2007 and 2006, respectively, which are included in regional affiliate expense in our Statements of Consolidated Operations.
- (4) Distribution expenses include commissions, global distribution systems ("GDS") and credit card transaction fees. Prior period information has been reclassified to conform to the current period presentation. GDS and credit card transaction fees were previously classified as components of Purchased services in the Company's 2006 financial statements.
- (5) In the third quarter of 2007, the Company recorded a change in estimate of \$59 million for certain liabilities relating to bankruptcy administrative claims. This adjustment resulted directly from the progression of the Company's ongoing efforts to resolve certain bankruptcy pre-confirmation contingencies. The Company classified these changes in estimate as special items in the accompanying financial statements, as they are related directly to the ongoing resolution of bankruptcy administrative claims. This classification is consistent with classification used to report the effects of similar claims resolved in other quarterly periods since exit from bankruptcy. The Company therefore recorded a special operating revenue credit of \$45 million, and a special operating expense credit of \$14 million for these changes in estimate.
- In the fourth quarter of 2006, the Company recorded a net credit of \$6 million for bankruptcy related contingencies consisting of a \$24 million credit for pension related matters and an \$18 million charge for lease related matters. The Company recorded special operating expense credits of \$44 million in the twelve months ended December 31, 2007 consisting of \$30 million for lease matters and a third quarter special item of \$14 million, discussed above. The comparable twelve month period of 2006 included a net benefit of \$36 million for facility lease secured interests and pension related matters. The facility lease secured interest litigation remains unresolved from the Company's recent reorganization.
- (6) In the third quarter of 2007, the Company separately recorded a \$26 million benefit from a change in estimate to certain other contingent liabilities, which was recorded as a credit to mainline passenger revenues of \$22 million, and to regional affiliate revenues of \$4 million. The Company classified this benefit to passenger revenue, since it represents an adjustment to contingent liabilities based largely on changes in underlying facts and circumstances occurring during the third quarter.
- (7) The net reorganization income of \$22.9 billion recorded by the Predecessor Company in January 2006 consists of the following largely non-cash reorganization items: income of \$24.6 billion from discharged claims and liabilities and \$2.1 billion from the fair valuation of assets and liabilities, partially offset by charges of \$2.4 billion related to the fair valuation of the Mileage Plus frequent flyer obligation, \$0.9 billion from employee-related charges, \$0.4 billion from contract rejection charges and \$0.1 billion from various other non-cash charges.
- (8) Included in UAL's operating earnings are the results of United's wholly-owned subsidiary United Aviation Fuels Corporation ("UAFC").

	Successor					
	Three Months	Three Months	%	Twelve Months	Combined	
	Ended	Ended		Ended	Periods Ended	
December 31,	December 31,	Change	December 31,	December 31,	%	
	2007	2006		2007	2006	Change
UAFC (In millions)						
Other operating revenues	\$ 4	\$ 54	(92.6)	\$ 45	\$ 352	(87.2)
Cost of third party sales	2	51	(96.1)	36	342	(89.5)
Earnings from operations	\$ 2	\$ 3	(33.3)	\$ 9	\$ 10	(10.0)

- (9) UAL's results of operations include aircraft fuel expense for both United mainline jet operations and regional affiliates. Aircraft fuel expense incurred as a result of the Company's regional affiliates' operations is reflected in Regional affiliates operating expense. In accordance with UAL's agreement with its regional affiliates, these costs are incurred by the Company.

Year-Over-Year Impact of Fuel Expense  
United Mainline and Regional Affiliate Operations

	Successor					
	Three Months	Three Months	%	Twelve Months	Combined	
	Ended	Ended		Ended	Periods Ended	
(In millions, except per gallon)	December 31,	December 31,	Change	December 31,	December 31,	%
	2007	2006		2007	2006	Change
Mainline fuel expense	\$ 1,432	\$ 1,139	25.7	\$ 5,003	\$ 4,824	3.7
Regional affiliates fuel expense	262	196	33.7	915	834	9.7
United system fuel expense	\$ 1,694	\$ 1,335	26.9	\$ 5,918	\$ 5,658	4.6
Mainline fuel consumption (gallons)	566	567	(0.2)	2,292	2,290	0.1
Mainline average jet fuel price per gallon (in cents)	253.0	201.0	25.9	218.3	210.7	3.6
Regional affiliates fuel consumption (gallons)	93	94	(1.1)	377	373	1.1
Regional affiliates average jet fuel price per gallon (in cents)	281.7	208.5	35.1	242.7	223.2	8.7

**CONSOLIDATED NOTES (UNAUDITED)**

(10) The tables below set forth certain operating statistics by geographic region and the Company's mainline, regional affiliates and consolidated operations, excluding special items:

(% change from prior year)

Three months ended December 31, 2007	North America	Pacific	Atlantic	Latin	Mainline	Regional Affiliates	Consolidated
Passenger revenues	6.7	18.0	26.7	12.4	12.0	9.6	11.6
ASM	(5.0)	4.8	7.1	(1.4)	(1.0)	0.7	(0.9)
RPM	(4.6)	0.9	10.4	(2.7)	(1.2)	(0.8)	(1.2)
PRASM	12.3	12.7	18.3	14.1	13.1	9.0	12.6
Yield [a]	11.9	16.8	16.3	15.5	13.5	10.6	13.0
Load factor (points)	0.3	(3.0)	2.4	(1.1)	(0.1)	(1.1)	(0.3)

(% change from prior year)

Twelve months ended December 31, 2007	North America	Pacific	Atlantic	Latin	Mainline	Regional Affiliates	Consolidated
Passenger revenues	1.1	12.7	21.5	1.1	6.2	5.6	6.1
ASM	(3.3)	2.9	6.8	(10.2)	(0.8)	3.6	(0.4)
RPM	(1.5)	1.1	7.6	(11.0)	(0.1)	3.2	0.2
PRASM	4.5	9.5	13.8	12.7	7.1	2.0	6.5
Yield [a]	2.8	11.5	13.7	13.6	6.2	2.3	5.9
Load factor (points)	1.5	(1.5)	0.6	(0.7)	0.6	(0.3)	0.5

[a] Yields for geographic regions exclude charter revenue, industry reduced fares, passenger charges and related revenue passenger miles.

(11) Pursuant to SEC Regulation G, the Company has included the following reconciliation of reported non-GAAP financial measures to comparable financial measures reported on a GAAP basis. The Company's consolidated financial statements for the periods prior to its exit from bankruptcy are not comparable to the statements presented after exit. Further the Company believes that excluding fuel costs from certain measures is useful to investors because it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence. The Company also believes that adjusting for special items and costs associated with financing transactions is useful to investors because they are non-recurring items not indicative of the Company's on-going performance. In addition, the Company adjusts for Mileage Plus impacts for better comparison to several of its peers as many still apply the incremental cost method of accounting to their loyalty plans.

The tables below set forth the reconciliation of GAAP and non-GAAP financial measures for certain operating statistics that are used in determining key indicators such as adjusted passenger revenue per revenue passenger mile ("Yield"), operating revenue per available seat mile ("RASM"), operating margin, net income (loss) and operating expense per available seat mile ("CASM"). The special credits to revenue of \$45 million, which are discussed in Note 5 above, are added back to Mainline (\$37 million) and United Express (\$8 million) passenger revenues, in the tables below, to present these revenues and related unit measures on a GAAP basis.

	Successor					
	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006	% Change	Twelve Months Ended December 31, 2007	Combined Periods Ended December 31, 2006	% Change
	[a] <u>Yield (In millions)</u>					
<i>Mainline</i>						
Passenger - United Airlines	\$ 3,797	\$ 3,389	12.0	\$ 15,254	\$ 14,367	6.2
Add: Income from special item	-	-	-	37	-	-
Less: industry reduced fares and passenger charges	(11)	(11)	-	(45)	(48)	(6.3)
Mainline adjusted passenger revenue	<u>\$ 3,786</u>	<u>\$ 3,378</u>	12.1	<u>\$ 15,246</u>	<u>\$ 14,319</u>	6.5
Mainline revenue passenger miles	27,890	28,234	(1.2)	117,399	117,470	(0.1)
Adjusted mainline yield (in cents)	13.57	11.96	13.5	12.99	12.19	6.6
Passenger - United Airlines	\$ 3,797	\$ 3,389	12.0	\$ 15,254	\$ 14,367	6.2
Less: industry reduced fares and passenger charges	(11)	(11)	-	(45)	(48)	(6.3)
Mainline adjusted passenger revenue	<u>\$ 3,786</u>	<u>\$ 3,378</u>	12.1	<u>\$ 15,209</u>	<u>\$ 14,319</u>	6.2
Adjusted mainline yield (in cents)	13.57	11.96	13.5	12.95	12.19	6.2
<i>Regional Affiliates</i>						
Passenger - United Express	\$ 765	\$ 698	9.6	\$ 3,063	\$ 2,901	5.6
Add: Income from special item	-	-	-	8	-	-
Regional affiliates passenger revenue	<u>\$ 765</u>	<u>\$ 698</u>	9.6	<u>\$ 3,071</u>	<u>\$ 2,901</u>	5.9
Regional affiliates revenue passenger miles	3,013	3,037	(0.8)	12,649	12,257	3.2
Regional affiliates yield (in cents)	25.39	22.96	10.6	24.28	23.67	2.6
<i>Consolidated</i>						
Consolidated passenger revenue	\$ 4,562	\$ 4,087	11.6	\$ 18,317	\$ 17,268	6.1
Add: Income from special item	-	-	-	45	-	-
Less: industry reduced fares and passenger charges	(11)	(11)	-	(45)	(48)	(6.3)
Consolidated adjusted passenger revenue	<u>\$ 4,551</u>	<u>\$ 4,076</u>	11.7	<u>\$ 18,317</u>	<u>\$ 17,220</u>	6.4
Consolidated revenue passenger miles	30,903	31,271	(1.2)	130,048	129,727	0.2
Adjusted consolidated yield (in cents)	14.73	13.03	13.0	14.08	13.27	6.1
Consolidated passenger revenue	\$ 4,562	\$ 4,087	11.6	\$ 18,317	\$ 17,268	6.1
Less: industry reduced fares and passenger charges	(11)	(11)	-	(45)	(48)	(6.3)
Consolidated adjusted passenger revenue	<u>\$ 4,551</u>	<u>\$ 4,076</u>	11.7	<u>\$ 18,272</u>	<u>\$ 17,220</u>	6.1
Adjusted consolidated yield (in cents)	14.73	13.03	13.0	14.05	13.27	5.9

**CONSOLIDATED NOTES (UNAUDITED)**

	Successor					
	Three Months Ended	Three Months Ended	%	Twelve Months Ended	Combined Periods Ended	%
	December 31, 2007	December 31, 2006		December 31, 2007	December 31, 2006	
<b>[b] PRASM (In millions)</b>						
<i>Mainline</i>						
Passenger - United Airlines	\$ 3,797	\$ 3,389	12.0	\$ 15,254	\$ 14,367	6.2
Add: Income from special item	-	-	-	37	-	-
Mainline passenger revenue	<u>\$ 3,797</u>	<u>\$ 3,389</u>	12.0	<u>\$ 15,291</u>	<u>\$ 14,367</u>	6.4
Mainline available seat miles	34,949	35,315	(1.0)	141,890	143,095	(0.8)
Mainline PRASM (in cents)	10.86	9.60	13.1	10.78	10.04	7.4
Passenger - United Airlines	\$ 3,797	\$ 3,389	12.0	\$ 15,254	\$ 14,367	6.2
Add: Mileage Plus - effect of accounting change	50	79	(36.7)	230	131	75.6
Less: Mileage Plus - effect of expiration period change	(100)	-	-	(204)	-	-
Mainline adjusted passenger revenue	<u>\$ 3,747</u>	<u>\$ 3,468</u>	8.0	<u>\$ 15,280</u>	<u>\$ 14,498</u>	5.4
Adjusted mainline PRASM (in cents)	10.72	9.82	9.2	10.77	10.13	6.3
<i>Regional Affiliates</i>						
Passenger - Regional Affiliates	\$ 765	\$ 698	9.6	\$ 3,063	\$ 2,901	5.6
Add: Income from special item	-	-	-	8	-	-
Regional affiliates passenger revenue	<u>\$ 765</u>	<u>\$ 698</u>	9.6	<u>\$ 3,071</u>	<u>\$ 2,901</u>	5.9
Regional affiliates available seat miles	3,999	3,973	0.7	16,301	15,740	3.6
Regional affiliates PRASM (in cents)	19.13	17.55	9.0	18.84	18.43	2.2
<i>Consolidated</i>						
Consolidated passenger revenues	\$ 4,562	\$ 4,087	11.6	\$ 18,317	\$ 17,268	6.1
Add: Income from special items	-	-	-	45	-	-
Consolidated passenger revenues including special items	<u>\$ 4,562</u>	<u>\$ 4,087</u>	11.6	<u>\$ 18,362</u>	<u>\$ 17,268</u>	6.3
Consolidated available seat miles	38,948	39,288	(0.9)	158,191	158,835	(0.4)
Consolidated PRASM (in cents)	11.71	10.40	12.6	11.61	10.87	6.8
Consolidated passenger revenues	\$ 4,562	\$ 4,087	11.6	\$ 18,317	\$ 17,268	6.1
Add: Mileage Plus - effect of accounting change	61	95	(35.8)	277	158	75.3
Less: Mileage Plus - effect of expiration period change	(121)	-	-	(246)	-	-
Adjusted consolidated passenger revenues	<u>\$ 4,502</u>	<u>\$ 4,182</u>	7.7	<u>\$ 18,348</u>	<u>\$ 17,426</u>	5.3
Adjusted consolidated PRASM (in cents)	11.56	10.64	8.6	11.60	10.97	5.7
<b>[c] RASM (In millions)</b>						
<i>Mainline</i>						
Consolidated operating revenues	\$ 5,030	\$ 4,586	9.7	\$ 20,143	\$ 19,340	4.2
Less: Passenger - Regional Affiliates	(765)	(698)	9.6	(3,063)	(2,901)	5.6
Less: Regional Affiliates special items	-	-	-	(8)	-	-
Mainline operating revenues	<u>\$ 4,265</u>	<u>\$ 3,888</u>	9.7	<u>\$ 17,072</u>	<u>\$ 16,439</u>	3.9
Mainline available seat miles	34,949	35,315	(1.0)	141,890	143,095	(0.8)
Mainline RASM (in cents)	12.20	11.01	10.8	12.03	11.49	4.7
Mainline operating revenues	\$ 4,265	\$ 3,888	9.7	\$ 17,072	\$ 16,439	3.9
Less: UAFC (i)	(4)	(54)	(92.6)	(45)	(352)	(87.2)
Adjusted mainline operating revenues	<u>\$ 4,261</u>	<u>\$ 3,834</u>	11.1	<u>\$ 17,027</u>	<u>\$ 16,087</u>	5.8
Adjusted mainline RASM (in cents)	12.19	10.86	12.2	12.00	11.24	6.8
Mainline operating revenues excluding UAFC	\$ 4,261	\$ 3,834	11.1	\$ 17,027	\$ 16,087	5.8
Less: Income from special items	-	-	-	(37)	-	-
Adjusted mainline operating revenues	<u>\$ 4,261</u>	<u>\$ 3,834</u>	11.1	<u>\$ 16,990</u>	<u>\$ 16,087</u>	5.6
Adjusted mainline RASM (in cents)	12.19	10.86	12.2	11.97	11.24	6.5
<i>Consolidated</i>						
Consolidated operating revenues	\$ 5,030	\$ 4,586	9.7	\$ 20,143	\$ 19,340	4.2
Less: Income from special items	-	-	-	(45)	-	-
Adjusted operating revenues	<u>\$ 5,030</u>	<u>\$ 4,586</u>	9.7	<u>\$ 20,098</u>	<u>\$ 19,340</u>	3.9
Consolidated operating revenues	\$ 5,030	\$ 4,586	9.7	\$ 20,143	\$ 19,340	4.2
Less: UAFC (i)	(4)	(54)	(92.6)	(45)	(352)	(87.2)
Adjusted consolidated operating revenues	<u>\$ 5,026</u>	<u>\$ 4,532</u>	10.9	<u>\$ 20,098</u>	<u>\$ 18,988</u>	5.8
Consolidated available seat miles	38,948	39,288	(0.9)	158,191	158,835	(0.4)
Adjusted consolidated RASM (in cents)	12.90	11.54	11.8	12.70	11.95	6.3
Consolidated operating revenues excluding UAFC	\$ 5,026	\$ 4,532	10.9	\$ 20,098	\$ 18,988	5.8
Less: Income from special items	-	-	-	(45)	-	-
Adjusted consolidated operating revenues	<u>\$ 5,026</u>	<u>\$ 4,532</u>	10.9	<u>\$ 20,053</u>	<u>\$ 18,988</u>	5.6
Adjusted consolidated RASM (in cents)	12.90	11.54	11.8	12.68	11.95	6.1

**CONSOLIDATED NOTES (UNAUDITED)**

	Successor					
	Three Months Ended	Three Months Ended	%	Twelve Months Ended	Combined	%
	December 31, 2007	December 31, 2006		December 31, 2007	Periods Ended December 31, 2006	
			Change			Change
<b>[d] Operating Margin (In millions)</b>						
Consolidated operating earnings (loss)	\$ (64)	\$ 23	-	\$ 1,037	\$ 447	132.0
Add: Severance	-	-	-	-	22	(100.0)
Less: Income from special revenue items	-	-	-	(45)	-	-
Less: Income from special expense items	-	(6)	(100.0)	(44)	(36)	22.2
Adjusted operating income (loss)	\$ (64)	\$ 17	-	\$ 948	\$ 433	118.9
Consolidated operating revenues	\$ 5,030	\$ 4,586	9.7	\$ 20,143	\$ 19,340	4.2
Operating margin (percent)	(1.3)	0.5	(1.8) pt.	5.1	2.3	2.8 pt.
Adjusted operating margin (percent)	(1.3)	0.4	(1.7) pt.	4.7	2.2	2.5 pt.
<b>[e] Pre-tax income (loss) (In millions)</b>						
Earnings (loss) before income taxes	\$ (98)	\$ (99)	(1.0)	\$ 695	\$ 22,889	(97.0)
Less: Reorganization income, net	-	-	-	-	(22,934)	(100.0)
Adjusted pre-tax income (loss)	(98)	(99)	(1.0)	695	(45)	-
Less: Income from special revenue items	-	-	-	(45)	-	-
Less: Income from special expense items	-	(6)	(100.0)	(44)	(36)	22.2
Add: Severance	-	-	-	-	22	(100.0)
Adjusted pre-tax income (loss)	\$ (98)	\$ (105)	(6.7)	\$ 606	\$ (59)	-
Pre-tax margin (percent)	(1.9)	(2.2)	0.3 pt.	3.5	NM	NM
Adjusted pre-tax margin (percent)	(1.9)	(2.3)	0.4 pt.	3.0	(0.3)	3.3 pt.
<b>[f] Net income (loss) (In millions)</b>						
Net income (loss)	\$ (53)	\$ (61)	(13.1)	\$ 403	\$ 22,876	(98.2)
Less: Reorganization income, net	-	-	-	-	(22,934)	(100.0)
Less: Income from special revenue items	-	-	-	(45)	-	-
Less: Income from special expense items	-	(6)	(100.0)	(44)	(36)	22.2
Add: Severance	-	-	-	-	22	(100.0)
Add: Income tax expense (ii)	-	4	(100.0)	38	7	442.9
Adjusted net income (loss)	\$ (53)	\$ (63)	(15.9)	\$ 352	\$ (65)	-
<b>[g] CASM (In millions)</b>						
<i>Mainline</i>						
Consolidated operating expenses	\$ 5,094	\$ 4,563	11.6	\$ 19,106	\$ 18,893	1.1
Less: Regional affiliates	(765)	(700)	9.3	(2,941)	(2,824)	4.1
Mainline operating expenses	\$ 4,329	\$ 3,863	12.1	\$ 16,165	\$ 16,069	0.6
Mainline available seat miles	34,949	35,315	(1.0)	141,890	143,095	(0.8)
Mainline CASM (in cents)	12.39	10.94	13.3	11.39	11.23	1.4
Mainline operating expenses	\$ 4,329	\$ 3,863	12.1	\$ 16,165	\$ 16,069	0.6
Less: mainline fuel expense	(1,432)	(1,139)	25.7	(5,003)	(4,824)	3.7
Less: cost of third party sales - UAFC (i)	(2)	(51)	(96.1)	(36)	(342)	(89.5)
Add: income from special items	-	6	(100.0)	44	36	22.2
Less: severance	-	-	-	-	(22)	(100.0)
Adjusted mainline operating expense	\$ 2,895	\$ 2,679	8.1	\$ 11,170	\$ 10,917	2.3
Adjusted mainline CASM (in cents)	8.28	7.58	9.2	7.87	7.63	3.1
<i>Consolidated</i>						
Consolidated operating expenses	\$ 5,094	\$ 4,563	11.6	\$ 19,106	\$ 18,893	1.1
Less: fuel expense & UAFC (i)	(1,696)	(1,386)	22.4	(5,954)	(6,000)	(0.8)
Add: income from special items	-	6	(100.0)	44	36	22.2
Less: severance	-	-	-	-	(22)	(100.0)
Adjusted consolidated operating expenses	\$ 3,398	\$ 3,183	6.8	\$ 13,196	\$ 12,907	2.2
Consolidated available seat miles	38,948	39,288	(0.9)	158,191	158,835	(0.4)
Adjusted consolidated CASM (in cents)	8.72	8.10	7.7	8.34	8.13	2.6
<b>[h] Operating expenses (In millions)</b>						
Consolidated operating expenses	\$ 5,094	\$ 4,563	11.6	\$ 19,106	\$ 18,893	1.1
Add: income from special items	-	6	(100.0)	44	36	22.2
Less: severance	-	-	-	-	(22)	(100.0)
Adjusted operating expenses	\$ 5,094	\$ 4,569	11.5	\$ 19,150	\$ 18,907	1.3
<b>[i] Operating cash flow (In millions)</b>						
Operating cash flow	\$ 132	\$ 293	(54.9)	\$ 2,134	\$ 1,562	36.6
Less: capital expenditures	(230)	(110)	109.1	(658)	(362)	81.8
Free cash flow	\$ (98)	\$ 183	-	\$ 1,476	\$ 1,200	23.0
Annual free cash flow				\$ 1,476	\$ 1,200	23.0
Add: aircraft refinancing transactions				197	-	-
Adjusted annual free cash flow				\$ 1,673	\$ 1,200	39.4

(i) UAFC's revenues and expenses are not derived from mainline jet operations. Therefore, UAL has excluded these revenues and expenses from the above reported GAAP financial measures. See Note 8, above, for more details.

(ii) The income tax adjustment represents the difference in the income tax provision between actual Successor Company net income and adjusted Successor Company net income for the twelve and eleven months ended December 31, 2007 and 2006; calculated using an effective tax rate of 43% and 48%, respectively.

NM - Not meaningful.

**CONSOLIDATED NOTES (UNAUDITED)**

- (12) The table below sets forth the estimated exit-related and fresh-start reporting impacts on the Company's results of operations.

(In millions)	2007 Increase (Decrease)					
	YTD	4Q	3Q	2Q	1Q	
	Estimate	Estimate	Estimate	Estimate	Estimate	
<b>Revenue impact:</b>						
Mileage Plus revenue	\$ (31)	\$ 60	\$ 15	\$ 1	\$ (107)	[a]
<b>Operating expense impact:</b>						
Share-based compensation	49	12	11	11	15	[b]
Mileage Plus marketing expense	(30)	(8)	(5)	(6)	(11)	[a]
Postretirement welfare cost	56	14	14	14	14	[c]
Depreciation and amortization	76	19	19	19	19	[d]
Deferred gain	72	18	18	18	18	[e]
Total operating expense impact	223	55	57	56	55	
<b>Non-operating expense impact:</b>						
Non-cash and fresh-start interest expense	\$ (6)	\$ 7	\$ (4)	\$ (15)	\$ 6	[f]

- [a] In connection with its emergence from Chapter 11 protection effective February 1, 2006, the Company adopted fresh-start reporting. Accordingly, the Company elected to change its accounting policy from an incremental cost basis to a deferred revenue model to measure the obligation for the Mileage Plus Frequent Flyer program. Adjustments to the obligation are recorded to operating revenues. Historically, adjustments were based upon incremental costs and were recorded in both operating revenues and advertising expense.

The deferred revenue model is more volatile than the incremental cost basis. Because all miles are now accounted for under the deferred revenue model, the amount of revenue recognized is more sensitive to the number of miles earned and redeemed during the period than the incremental cost basis.

- [b] In accordance with the plan of reorganization, the Company implemented stock-based compensation plans for certain management employees and non-employee directors. The Company adopted SFAS 123R effective January 1, 2006 and recorded compensation expense for such plans.
- [c] In accordance with fresh-start reporting, the Company revalued its liabilities effective February 1, 2006 to fair value. As a result, all prior period service credits related to postretirement costs were eliminated.
- [d] In accordance with fresh-start reporting, the Company revalued its assets to fair value effective February 1, 2006. As a result, definite lived intangible asset values increased substantially which results in higher associated amortization expense. In addition, the value of the Company's operating property and equipment was significantly reduced which results in lower depreciation expense. The Company has estimated the net impact of changes in asset values at fresh-start on net depreciation and amortization.
- [e] In accordance with fresh-start reporting, the Company revalued its liabilities effective February 1, 2006 to fair value. As a result, all deferred gains on aircraft sale/leasebacks were eliminated.
- [f] As a result of fresh-start reporting, the Company recognizes certain non-cash interest expenses, including the amortization of mark-to-market discounts on all debt and capital leases.

- (13) The following table presents additional detail on the Mileage Plus impacts summarized in the table above. These items consist of (1) the additional amount of revenue that the Company estimates would have been recognized had we continued to apply the incremental cost method of accounting after exiting bankruptcy and (2) the estimated impact of the change in the expiration period for inactive accounts from 36 months to 18 months. The Company utilizes this adjustment for comparison of its performance to its peers, as certain of our peers currently still apply the incremental cost method of accounting.

(In millions)	Increase (decrease)						
	YTD	2007			1Q	2006	
		4Q	3Q	2Q		YTD	4Q
<b>Mainline</b>							
Effect of accounting change	(230)	(50)	(30)	(37)	(113)	(131)	(79)
Effect of expiration period change	204	100	42	39	23	-	-
Total Mainline	(26)	50	12	2	(90)	(131)	(79)
<b>Regional Affiliates</b>							
Effect of accounting change	(47)	(11)	(5)	(9)	(22)	(27)	(16)
Effect of expiration period change	42	21	8	8	5	-	-
Total Regional Affiliates	(5)	10	3	(1)	(17)	(27)	(16)
<b>Consolidated</b>							
Effect of accounting change	(277)	(61)	(35)	(46)	(135)	(158)	(95)
Effect of expiration period change	246	121	50	47	28	-	-
Total Consolidated	(31)	60	15	1	(107)	(158)	(95)

**CONSOLIDATED NOTES (UNAUDITED)**

(14) Pursuant to SEC Regulation G, the Company has included the following reconciliation of reported non-GAAP financial measures to comparable financial measures reported on a GAAP basis. Further, the Company believes that excluding fuel costs from certain measures is useful to investors because it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence. The Company also believes that adjusting for special items is useful to investors because they are non-recurring income and/or charges that are not indicative of the Company's on-going performance. The forecasted amounts shown below were estimated based on a forecasted jet fuel price of \$2.74 per gallon for the first quarter of 2008. Forecasted fuel amounts for the full year of 2008 are based on the forward curve and imply a jet fuel price of \$2.70 per gallon.

	Three Months Ending March 31,			YOY		Twelve Months Ending December 31,			YOY	
	2008 Estimate Low	2008 Estimate High	2007 Actual	% Change		2008 Estimate Low	2008 Estimate High	2007 Actual	% Change	
<u>Operating expense per ASM - CASM (cents)</u>										
Mainline operating expense	12.63	12.67	10.93	15.6	15.9	12.37	12.45	11.39	8.6	9.3
Less: fuel expense & cost of third party sales - UAFC	(4.48)	(4.48)	(3.09)	45.0	45.0	(4.38)	(4.38)	(3.55)	23.4	23.4
Mainline excluding fuel & UAFC	<u>8.15</u>	<u>8.19</u>	<u>7.84</u>	4.0	4.5	<u>7.99</u>	<u>8.07</u>	<u>7.84</u>	1.9	2.9
Add: income from special items	-	-	0.07	(100.0)	(100.0)	-	-	0.03	(100.0)	(100.0)
Mainline excluding fuel, UAFC and special items	<u>8.15</u>	<u>8.19</u>	<u>7.91</u>	3.0	3.5	<u>7.99</u>	<u>8.07</u>	<u>7.87</u>	1.5	2.5

**UAL CORPORATION AND SUBSIDIARY COMPANIES**

**Successor Company Operating Statistics**

(Mainline and Regional Affiliates (a))

	<b>Three Months Ended December 31, 2007</b>	<b>Three Months Ended December 31, 2006</b>	<b>% Change</b>
Mainline revenue passengers (In thousands)	16,042	16,704	(4.0)
Revenue passenger miles - RPM (In millions)			
Mainline	27,890	28,234	(1.2)
Regional affiliates	3,013	3,037	(0.8)
Consolidated	30,903	31,271	(1.2)
Available seat miles - ASM (In millions)			
Mainline	34,949	35,315	(1.0)
Regional affiliates	3,999	3,973	0.7
Consolidated	38,948	39,288	(0.9)
Passenger load factor (percent)			
Mainline	79.8	79.9	(0.1) pt.
Regional affiliates	75.3	76.4	(1.1) pt.
Consolidated	79.3	79.6	(0.3) pt.
Consolidated operating breakeven passenger load factor (percent)	80.5	79.2	1.3 pt.
Passenger revenue per passenger mile - Yield (cents) [See Note 11a]			
Mainline adjusted	13.57	11.96	13.5
Regional affiliates	25.39	22.96	10.6
Consolidated adjusted	14.73	13.03	13.0
Passenger revenue per available seat mile - PRASM (cents) [See Note 11b]			
Mainline	10.86	9.60	13.1
Mainline adjusted for Mileage Plus	10.72	9.82	9.2
Regional affiliates	19.13	17.55	9.0
Consolidated	11.71	10.40	12.6
Consolidated adjusted for Mileage Plus	11.56	10.64	8.6
Operating revenue per available seat mile - RASM (cents) [See Note 11c]			
Mainline	12.20	11.01	10.8
Mainline excluding UAFC	12.19	10.86	12.2
Regional affiliates	19.13	17.55	9.0
Consolidated	12.91	11.67	10.6
Consolidated excluding UAFC	12.90	11.54	11.8
Operating expense per available seat mile - CASM (cents) [See Note 11g]			
Mainline	12.39	10.94	13.3
Mainline excluding fuel, UAFC and special items	8.28	7.58	9.2
Regional affiliates	19.13	17.64	8.4
Consolidated	13.08	11.61	12.7
Consolidated excluding fuel, UAFC and special items	8.72	8.10	7.7
Mainline unit earnings (loss) (cents) (b)	(0.19)	0.07	-
Mainline unit earnings excluding fuel, UAFC and special items (cents) (b)	3.91	3.28	19.2
Number of aircraft in operating fleet at end of period			
Mainline	460	460	-
Regional affiliates	279	290	(3.8)
Consolidated	739	750	(1.5)
<i>Other Mainline Statistics</i>			
Mainline average price per gallon of jet fuel (cents)	253.0	201.0	25.9
Average full-time equivalent employees (thousands)	51.7	51.7	-
Mainline ASMs per equivalent employee - productivity (thousands)	676	683	(1.0)
Average stage length (in miles)	1,381	1,354	2.0
Fleet utilization (in hours and minutes)	10:42	11:00	(2.7)

(a) Mainline includes United Air Lines, Inc. scheduled and chartered jet operations. Regional affiliates include operations from regional carriers with whom the Company has entered into capacity purchase agreements to provide jet and turboprop operations branded as United Express.

(b) Unit earnings is calculated as RASM minus CASM.

**UAL CORPORATION AND SUBSIDIARY COMPANIES**  
**Combined Successor and Predecessor Company Operating Statistics**  
(Mainline and Regional Affiliates (a))

	<u>Successor</u> <u>Twelve Months</u> <u>Ended</u> <u>December 31,</u> <u>2007</u>	<u>Combined</u> <u>Periods Ended</u> <u>December 31,</u> <u>2006</u>	<u>%</u> <u>Change</u>
Mainline revenue passengers (In thousands)	68,386	69,325	(1.4)
Revenue passenger miles - RPM (In millions)			
Mainline	117,399	117,470	(0.1)
Regional affiliates	12,649	12,257	3.2
Consolidated	130,048	129,727	0.2
Available seat miles - ASM (In millions)			
Mainline	141,890	143,095	(0.8)
Regional affiliates	16,301	15,740	3.6
Consolidated	158,191	158,835	(0.4)
Passenger load factor (percent)			
Mainline	82.7	82.1	0.6 pt.
Regional affiliates	77.6	77.9	(0.3) pt.
Consolidated	82.2	81.7	0.5 pt.
Consolidated operating breakeven passenger load factor (percent)	77.6	79.6	(2.0) pt.
Passenger revenue per passenger mile - Yield (cents) [See Note 11a]			
Mainline adjusted	12.99	12.19	6.6
Mainline adjusted for special items	12.95	12.19	6.2
Regional affiliates	24.28	23.67	2.6
Regional affiliates adjusted for special items	24.22	23.67	2.3
Consolidated adjusted	14.08	13.27	6.1
Consolidated adjusted for special items	14.05	13.27	5.9
Passenger revenue per available seat mile - PRASM (cents) [See Note 11b]			
Mainline	10.78	10.04	7.4
Mainline adjusted for special items	10.75	10.04	7.1
Mainline adjusted for special items and Mileage Plus	10.77	10.13	6.3
Regional affiliates	18.84	18.43	2.2
Regional affiliates adjusted for special items (b)	18.79	18.43	2.0
Consolidated	11.61	10.87	6.8
Consolidated adjusted for special items	11.58	10.87	6.5
Consolidated adjusted for special items and Mileage Plus	11.60	10.97	5.7
Operating revenue per available seat mile - RASM (cents) [See Note 11c]			
Mainline	12.03	11.49	4.7
Mainline excluding UAFC	12.00	11.24	6.8
Mainline adjusted for UAFC and special items	11.97	11.24	6.5
Regional affiliates	18.84	18.43	2.2
Regional affiliates adjusted for special items (b)	18.79	18.43	2.0
Consolidated	12.73	12.18	4.5
Consolidated excluding UAFC	12.70	11.95	6.3
Consolidated adjusted for UAFC and special items	12.68	11.95	6.1
Operating expense per available seat mile - CASM (cents) [See Note 11g]			
Mainline	11.39	11.23	1.4
Mainline excluding fuel, UAFC, special items and severance	7.87	7.63	3.1
Regional affiliates	18.04	17.94	0.6
Consolidated	12.08	11.89	1.6
Consolidated excluding fuel, UAFC, special items and severance	8.34	8.13	2.6
Mainline unit earnings (cents) (c)	0.64	0.26	146.2
Mainline unit earnings excluding fuel, UAFC, special items and severance (cents) (c)	4.10	3.61	13.6
Number of aircraft in operating fleet at end of period			
Mainline	460	460	-
Regional affiliates	279	290	(3.8)
Consolidated	739	750	(1.5)
<i>Other Mainline Statistics</i>			
Mainline average price per gallon of jet fuel (cents)	218.3	210.7	3.6
Average full-time equivalent employees (thousands)	51.6	53.0	(2.6)
Mainline ASMs per equivalent employee - productivity (thousands)	2,750	2,700	1.9
Average stage length (in miles)	1,371	1,363	0.6
Fleet utilization (in hours and minutes)	11:00	11:09	(1.3)

(a) Mainline includes United Air Lines, Inc. scheduled and chartered jet operations. Regional affiliates include operations from regional carriers with whom the Company has entered into capacity purchase agreements to provide jet and turboprop operations branded as United Express.

(b) See Note 11b. The Regional affiliate PRASM and RASM with the special items are the same, as all Regional Affiliate revenues are passenger revenues.

(c) Unit earnings is calculated as RASM minus CASM.