

UNITED AIRLINES, INC.
Form FWP
August 01, 2013

2013-1 EETC Investor
Presentation
United Airlines, Inc.
August 1, 2013
Issuer Free Writing Prospectus
Filed pursuant to Rule 433(d)
Registration No. 333-181014-01
August 1, 2013

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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.

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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 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 pool for this transaction.

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UAL 2013-1 EETC Structural Summary

Principal Amount

Expected Ratings (S / F)

Initial LTV

(1)

Interest Rate

Initial Average Life (in years)

Regular Distribution Dates

Expected Principal Distribution Window (in years)

Final Expected Distribution Date

Final Maturity Date

Section 1110 Protection

Liquidity Facility

Depository

Class A

Class B

\$720,315,000

\$209,036,000

A-

/ A

BB+ / BB+

55.1%

71.0%

Fixed, semi-annual, 30/360 day count

9.1

5.9

February 15 and August 15

1.5

12.0

1.5

8.0

August 15, 2025

August 15, 2021

February 15, 2027

February 15, 2023

Yes

Yes

3 semi-annual

3 semi-annual

interest payments

interest payments

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

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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

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Collateral Summary
Aircraft
Aircraft
Narrow /
Manufacturer's
Registration
Delivery
Aircraft Age
New Base Value (\$MM)
No.
Type
Widebody
Serial Number
Number
Date
(years)
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:

1.

Appraised value is the lesser of the average and median Base Values of each aircraft as appraised by AISI, BK Associates and An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value

2.

21 aircraft will be financed from the proceeds of this offering; 18 new B737-900ER and 3 new B787-8 aircraft will be selected scheduled for delivery in 2013 and 2014. Value assumes that the first 21 new aircraft in chronological order of delivery are selected transaction

3.

The Aggregate Appraised Aircraft Value at August 15, 2014 after all Aircraft have been delivered will be \$1,308,033,650

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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

Vintage: 0%

New: 100%

737-900ER

\$956MM

787-8

\$375MM

Widebodies: 28%

Narrowbodies: 72%

Total: \$1,331MM

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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 approximate estimate of value and should not be relied upon as a measure of realizable value. Assumes that United finances the first 18 Boeing 737-8 aircraft and the first 3 Boeing 787-8 aircraft scheduled for delivery from which United may select. The Aggregate Appraised Aircraft Value 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 be delivered

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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

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Boeing 737-900ER Market
16 Customers for 526 Net Orders
(1)
(38)
(6)
(137)
(4)
(6)
(180)
(8)
(2)
(2)
(7)
(6)
(15)
(100)
(6)

(4)

(64)

(75)

(2)

(6)

(4)

(6)

(2)

(10)

177 deliveries to 9 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

Net orders from customers

(8)

(5)

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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

- o
- o
- o
- o

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

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

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Boeing 787-8/9/10 Market

58 Customers for 930 Net Orders

(1)

B787-8 / 9 / 10

519 B787-8

361 B787-9

1.

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

