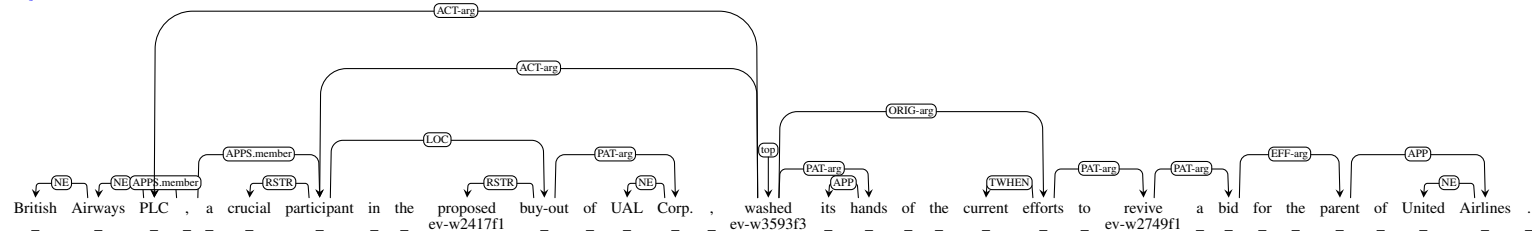
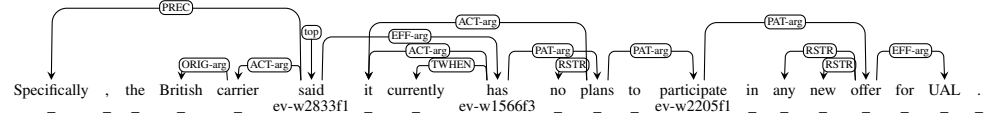


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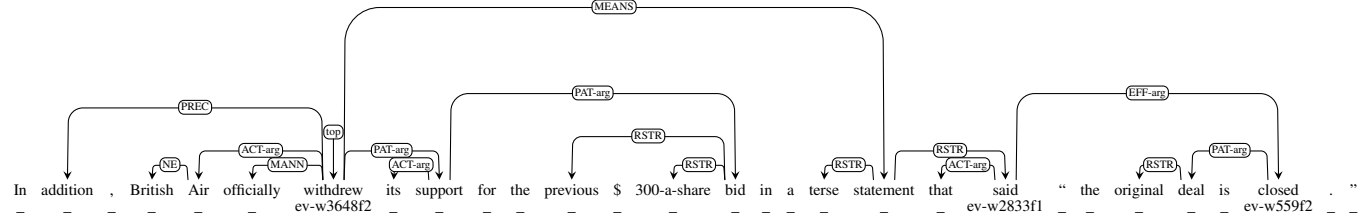
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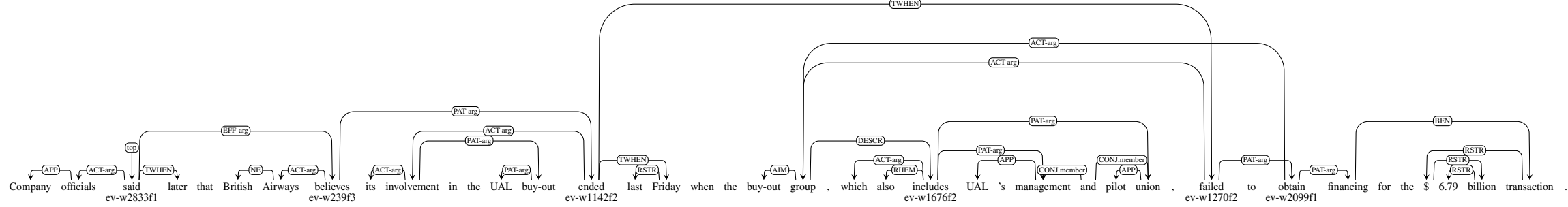
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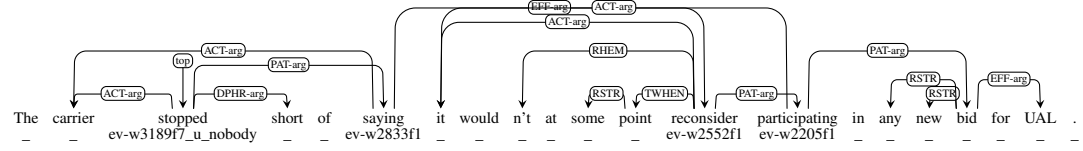
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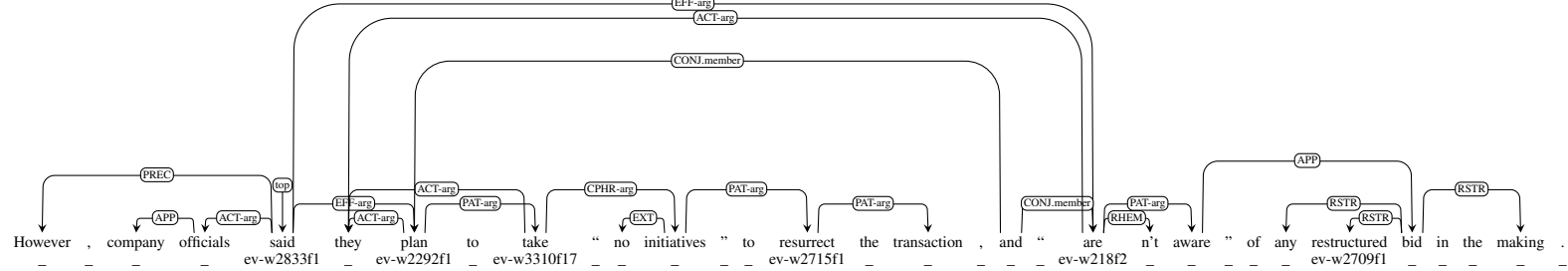
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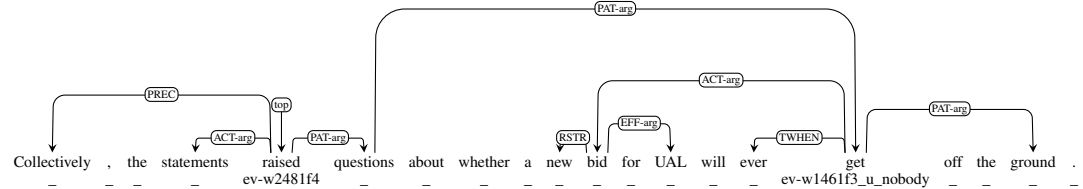
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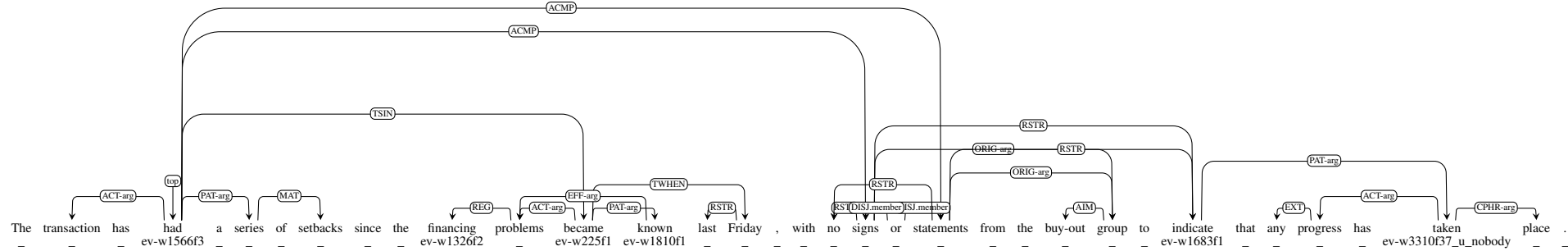
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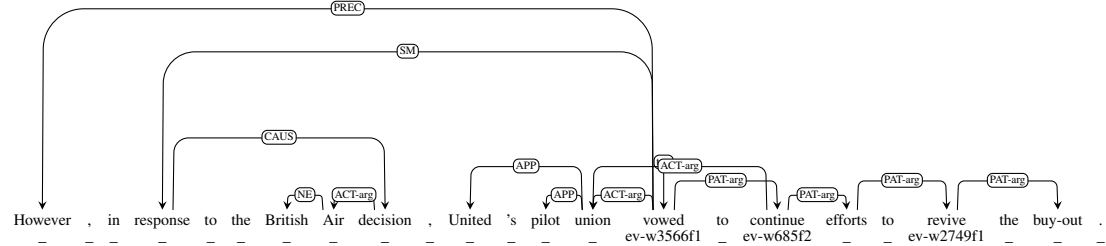
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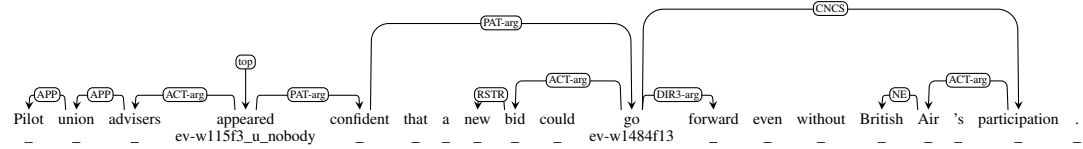
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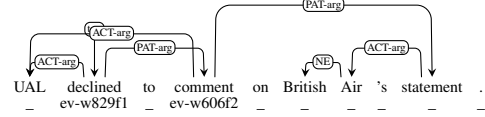
[21626009]



[21626011]



[21626012]



[21626013]

UAL Chairman Stephen M. Wolf, who is leading the management end of the buy-out, has n't provided investors with any assurances about the prospect of a new deal.

[21626014]

In another setback yesterday, United's machinist union asked the Treasury Department to investigate whether certain aspects of the original buy-out proposal violated tax laws.

[21626015]

In an effort to derail the buy-out, the union has already called for investigations by the Securities and Exchange Commission, Transportation Department and Labor Department.

[21626016]

But there was one bright spot yesterday.

[21626019]

Still, without the assurance of British Airways' financial backing, it will be tougher for the buy-out group to convince already-reluctant banks to make loan commitments for a revised bid, especially since British Air's original investment represented 78% of the cash equity contribution for the bid.

[21626022]

The previous reports were based on remarks by British Air's chief financial officer, Derek Stevens, who said any revised bid would have to include a lower purchase price to reflect the sharp drop in UAL's stock in the past week.

[21626023]

UAL stock dropped \$ 1.625 yesterday to \$ 190.125 on volume of 923,500 shares in composite trading on the New York Stock Exchange.

[21626024]

UAL declined to comment on British Air's statement.

[21626025]

In an interview Wednesday with Dow Jones Professional Investor Report, Mr. Stevens said, "We're in no way committed to a deal going through at all."

[21626026]

We're not rushing into anything.

[21626027]

We do n't want to be party to a second rejection.

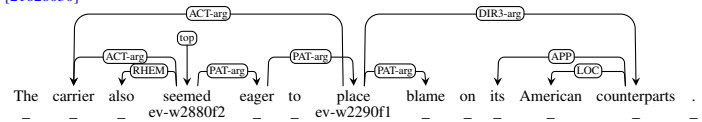
[21626028]

Indeed, British Air seemed to be distancing itself from the troubled transaction early in an effort to avoid any further embarrassment.

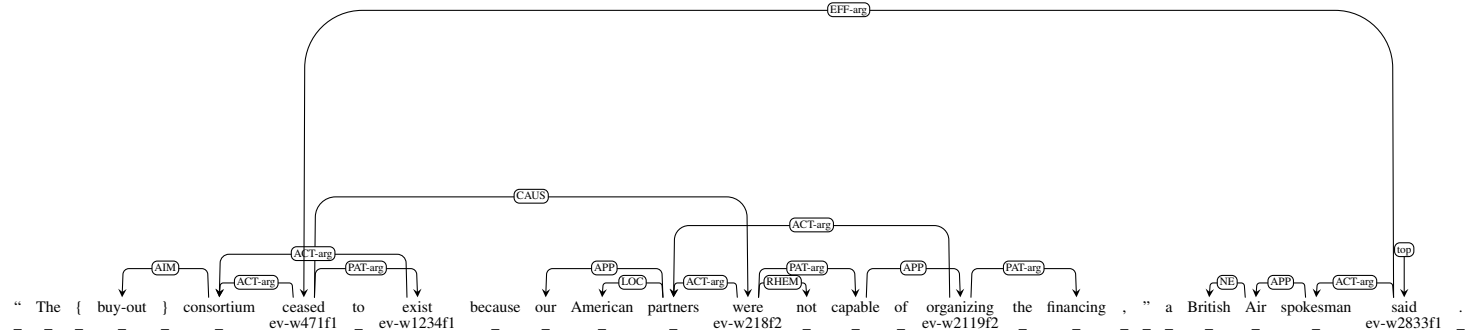
[21626029]

The original transaction fell through on the same day British Air shareholders approved the plan at a special meeting after the British succeeded in arranging the financing for its equity contribution.

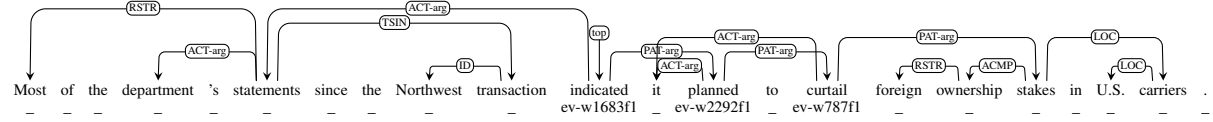
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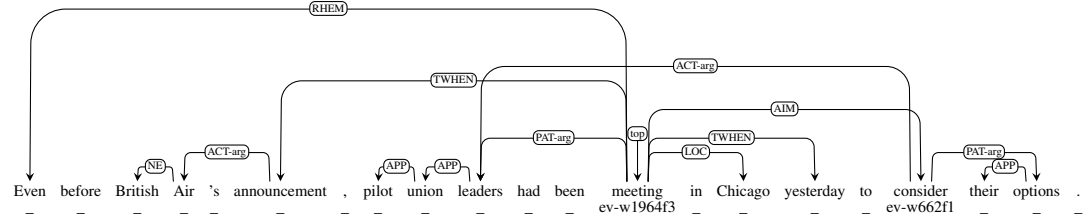
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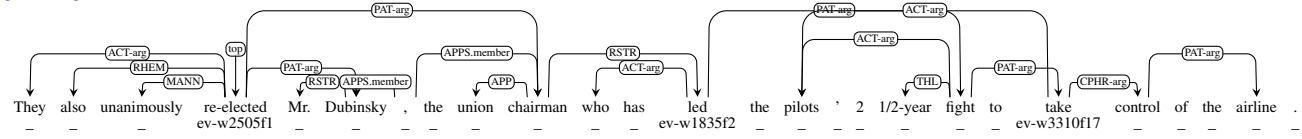
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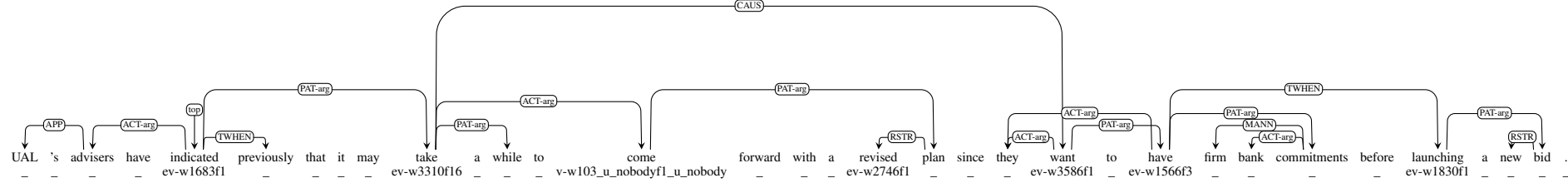
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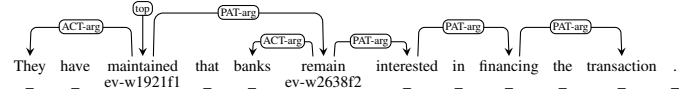
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[21626037]



[21626038]



[21626039]

