UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2016

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number	Exact Name of Registrant as Specified in its Charter, Principal Executive Office Address and Telephone Number	State of Incorporation	I.R.S. Employer Identification No.
001-06033	**United Continental Holdings, Inc.** **233 South Wacker Drive,** **Chicago, Illinois 60606** **(872) 825-4000**	Delaware	36-2675207
001-10323	**United Airlines, Inc.** **233 South Wacker Drive,** **Chicago, Illinois 60606** **(872) 825-4000**	Delaware	74-2099724

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

United Continental Holdings, Inc.	Yes ☒	No ☐
United Airlines, Inc.	Yes ☒	No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

United Continental Holdings, Inc.	Yes ☒	No ☐
United Airlines, Inc.	Yes ☒	No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

United Continental Holdings, Inc.	Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐
United Airlines, Inc.	Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

United Continental Holdings, Inc.	Yes ☐	No ☒
United Airlines, Inc.	Yes ☐	No ☒

The number of shares outstanding of each of the issuer’s classes of common stock as of July 12, 2016 is shown below:

United Continental Holdings, Inc.	322,408,298 shares of common stock ($0.01 par value)
United Airlines, Inc.	1,000 (100% owned by United Continental Holdings, Inc.) There is no market for United Airlines, Inc. common stock.

OMISSION OF CERTAIN INFORMATION

This combined Quarterly Report on Form 10-Q is separately filed by United Continental Holdings, Inc. and United Airlines, Inc. United Airlines, Inc. meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format allowed under that General Instruction.

United Continental Holdings, Inc.
United Airlines, Inc.

Quarterly Report on Form 10-Q
For the Quarter Ended June 30, 2016

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

UNITED CONTINENTAL HOLDINGS, INC.
STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)
(In millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Operating revenue:				
Passenger—Mainline	$ 6,525	$ 6,961	$ 12,102	$ 12,899
Passenger—Regional	1,578	1,715	2,991	3,197
Total passenger revenue	8,103	8,676	15,093	16,096
Cargo	208	229	402	471
Other operating revenue	1,085	1,009	2,096	1,955
	9,396	9,914	17,591	18,522
Operating expense:				
Salaries and related costs	2,592	2,454	5,082	4,755
Aircraft fuel	1,437	2,106	2,655	3,970
Regional capacity purchase	551	583	1,073	1,153
Landing fees and other rent	541	553	1,066	1,096
Depreciation and amortization	491	445	970	874
Aircraft maintenance materials and outside repairs	448	431	850	828
Distribution expenses	339	348	642	660
Aircraft rent	175	194	353	395
Special charges (Note 10)	434	55	624	119
Other operating expenses	1,328	1,300	2,567	2,486
	8,336	8,469	15,882	16,336
Operating income	1,060	1,445	1,709	2,186
Nonoperating income (expense):				
Interest expense	(157)	(167)	(316)	(340)
Interest capitalized	14	13	28	25
Interest income	9	6	17	11
Miscellaneous, net (Note 10)	5	(100)	(13)	(174)
	(129)	(248)	(284)	(478)
Income before income taxes	931	1,197	1,425	1,708
Income tax expense	343	4	524	7
Net income	$ 588	$ 1,193	$ 901	$ 1,701
Earnings per share, basic	$ 1.78	$ 3.14	$ 2.63	$ 4.46
Earnings per share, diluted	$ 1.78	$ 3.14	$ 2.63	$ 4.45

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED CONTINENTAL HOLDINGS, INC.
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Net income	$ 588	$ 1,193	$ 901	$ 1,701
Other comprehensive income (loss), net change related to:				
Fuel derivative financial instruments	33	147	111	233
Employee benefit plans	10	28	(14)	30
Investments and other	—	(10)	—	4
	43	165	97	267
Total comprehensive income, net	$ 631	$ 1,358	$ 998	$ 1,968

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED CONTINENTAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except shares)

	(Unaudited) June 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,483	$ 3,006
Short-term investments	2,202	2,190
Receivables, less allowance for doubtful accounts (2016—$12; 2015—$18)	1,450	1,128
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2016—$261; 2015—$235)	798	738
Prepaid expenses and other	911	766
	7,844	7,828
Operating property and equipment:		
Owned—		
Flight equipment	24,853	23,728
Other property and equipment	4,947	4,542
	29,800	28,270
Less—Accumulated depreciation and amortization	(9,148)	(8,339)
	20,652	19,931
Purchase deposits for flight equipment	919	788
Capital leases—		
Flight equipment	1,511	1,527
Other property and equipment	331	332
	1,842	1,859
Less—Accumulated amortization	(1,025)	(998)
	817	861
	22,388	21,580
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2016—$1,190; 2015—$1,144)	3,677	4,136
Deferred income taxes	1,392	2,037
Restricted cash	124	204
Other, net	528	553
	10,244	11,453
	$ 40,476	$ 40,861

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UNITED CONTINENTAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except shares)

	(Unaudited) June 30, 2016	December 31, 2015
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Advance ticket sales	$ 5,323	$ 3,753
Accounts payable	2,240	1,869
Frequent flyer deferred revenue	2,132	2,117
Accrued salaries and benefits	1,969	2,350
Current maturities of long-term debt	1,272	1,224
Current maturities of capital leases	128	135
Fuel derivative instruments	7	124
Other	911	842
	13,982	12,414
Long-term debt	9,275	9,673
Long-term obligations under capital leases	740	727
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,830	2,826
Postretirement benefit liability	1,880	1,882
Pension liability	1,409	1,488
Advanced purchase of miles	725	1,010
Lease fair value adjustment, net	317	359
Other	1,534	1,516
	8,695	9,081
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock at par, $0.01 par value; authorized 1,000,000,000 shares; outstanding 322,932,096 and 364,609,108 shares at June 30, 2016 and December 31, 2015, respectively	4	4
Additional capital invested	7,965	7,946
Retained earnings	4,358	3,457
Stock held in treasury, at cost	(3,809)	(1,610)
Accumulated other comprehensive loss	(734)	(831)
	7,784	8,966
	$ 40,476	$ 40,861

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED CONTINENTAL HOLDINGS, INC.
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)
(In millions)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Cash Flows from Operating Activities:		
Net cash provided by operating activities	$ 3,746	$ 3,577
Cash Flows from Investing Activities:		
Capital expenditures	(1,654)	(1,311)
Purchases of short-term and other investments	(1,273)	(1,202)
Proceeds from sale of short-term and other investments	1,264	1,397
Investment in and loans to affiliates	(8)	(130)
Decrease in restricted cash	39	37
Proceeds from sale of property and equipment	19	36
Other	(6)	—
Net cash used in investing activities	(1,619)	(1,173)
Cash Flows from Financing Activities:		
Payments of long-term debt	(453)	(1,319)
Repurchases of common stock	(2,182)	(445)
Proceeds from issuance of long-term debt	75	228
Principal payments under capital leases	(66)	(53)
Other, net	(24)	(21)
Net cash used in financing activities	(2,650)	(1,610)
Net (decrease) increase in cash and cash equivalents	(523)	794
Cash and cash equivalents at beginning of the period	3,006	2,002
Cash and cash equivalents at end of the period	$ 2,483	$ 2,796
Investing and Financing Activities Not Affecting Cash:		
Property and equipment acquired through the issuance of debt	$ 59	$ 776
Airport construction financing	35	—
Operating lease conversions to capital lease	7	—
Exchanges of certain convertible notes for common stock	—	201

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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UNITED AIRLINES, INC.
STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Operating revenue:				
Passenger—Mainline	$ 6,525	$ 6,961	$ 12,102	$ 12,899
Passenger—Regional	1,578	1,715	2,991	3,197
Total passenger revenue	8,103	8,676	15,093	16,096
Cargo	208	229	402	471
Other operating revenue	1,085	1,009	2,096	1,955
	9,396	9,914	17,591	18,522
Operating expense:				
Salaries and related costs	2,592	2,454	5,082	4,755
Aircraft fuel	1,437	2,106	2,655	3,970
Regional capacity purchase	551	583	1,073	1,153
Landing fees and other rent	541	553	1,066	1,096
Depreciation and amortization	491	445	970	874
Aircraft maintenance materials and outside repairs	448	431	850	828
Distribution expenses	339	348	642	660
Aircraft rent	175	194	353	395
Special charges (Note 10)	434	55	624	119
Other operating expenses	1,328	1,299	2,566	2,485
	8,336	8,468	15,881	16,335
Operating income	1,060	1,446	1,710	2,187
Nonoperating income (expense):				
Interest expense	(157)	(167)	(316)	(340)
Interest capitalized	14	13	28	25
Interest income	9	6	17	11
Miscellaneous, net (Note 10)	5	(101)	(13)	(175)
	(129)	(249)	(284)	(479)
Income before income taxes	931	1,197	1,426	1,708
Income tax expense	343	4	524	6
Net income	$ 588	$ 1,193	$ 902	$ 1,702

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

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UNITED AIRLINES, INC.
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income	$ 588	$ 1,193	$ 902	$ 1,702
Other comprehensive income (loss), net change related to:				
Fuel derivative financial instruments	33	147	111	233
Employee benefit plans	10	28	(14)	30
Investments and other	—	(9)	—	5
	43	166	97	268
Total comprehensive income, net	$ 631	$ 1,359	$ 999	$ 1,970

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED AIRLINES, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except shares)

	(Unaudited) June 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,477	$ 3,000
Short-term investments	2,202	2,190
Receivables, less allowance for doubtful accounts (2016—$12; 2015—$18)	1,450	1,128
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2016—$261; 2015—$235)	798	738
Prepaid expenses and other	960	813
	7,887	7,869
Operating property and equipment:		
Owned—		
Flight equipment	24,853	23,728
Other property and equipment	4,947	4,542
	29,800	28,270
Less—Accumulated depreciation and amortization	(9,148)	(8,339)
	20,652	19,931
Purchase deposits for flight equipment	919	788
Capital leases—		
Flight equipment	1,511	1,527
Other property and equipment	331	332
	1,842	1,859
Less—Accumulated amortization	(1,025)	(998)
	817	861
	22,388	21,580
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2016—$1,190; 2015—$1,144)	3,677	4,136
Deferred income taxes	1,351	1,995
Restricted cash	124	204
Other, net	527	554
	10,202	11,412
	$ 40,477	$ 40,861

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UNITED AIRLINES, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except shares)

	(Unaudited) June 30, 2016	December 31, 2015
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Advance ticket sales	$ 5,323	$ 3,753
Accounts payable	2,245	1,874
Frequent flyer deferred revenue	2,132	2,117
Accrued salaries and benefits	1,969	2,350
Current maturities of long-term debt	1,272	1,224
Current maturities of capital leases	128	135
Fuel derivative instruments	7	124
Other	911	840
	13,987	12,417
Long-term debt	9,275	9,673
Long-term obligations under capital leases	740	727
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,830	2,826
Postretirement benefit liability	1,880	1,882
Pension liability	1,409	1,488
Advanced purchase of miles	725	1,010
Lease fair value adjustment, net	317	359
Other	1,534	1,516
	8,695	9,081
Commitments and contingencies		
Stockholder's equity:		
Common stock at par, $0.01 par value; authorized 1,000 shares; issued and outstanding 1,000 shares at both June 30, 2016 and December 31, 2015	—	—
Additional capital invested	3,964	6,138
Retained earnings	4,575	3,673
Accumulated other comprehensive loss	(734)	(831)
Receivable from related parties	(25)	(17)
	7,780	8,963
	$ 40,477	$ 40,861

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED AIRLINES, INC.
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)
(In millions)

	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Cash Flows from Operating Activities:		
Net cash provided by operating activities	$ 3,740	$ 3,568
Cash Flows from Investing Activities:		
Capital expenditures	(1,654)	(1,311)
Purchases of short-term investments and other investments	(1,273)	(1,202)
Proceeds from sale of short-term and other investments	1,264	1,397
Investment in and loans to affiliates	(8)	(130)
Decrease in restricted cash	39	37
Proceeds from sale of property and equipment	19	36
Other	(6)	—
Net cash used in investing activities	(1,619)	(1,173)
Cash Flows from Financing Activities:		
Payments of long-term debt	(453)	(1,319)
Dividend to UAL	(2,182)	(445)
Proceeds from issuance of long-term debt	75	228
Principal payments under capital leases	(66)	(53)
Other, net	(18)	(12)
Net cash used in financing activities	(2,644)	(1,601)
Net (decrease) increase in cash and cash equivalents	(523)	794
Cash and cash equivalents at beginning of the period	3,000	1,996
Cash and cash equivalents at end of the period	$ 2,477	$ 2,790
Investing and Financing Activities Not Affecting Cash:		
Property and equipment acquired through the issuance of debt	$ 59	$ 776
Airport construction financing	35	—
Operating lease conversions to capital lease	7	—

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED CONTINENTAL HOLDINGS, INC. AND UNITED AIRLINES, INC.

COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

United Continental Holdings, Inc. (together with its consolidated subsidiaries, "UAL" or the "Company") is a holding company and its principal, wholly-owned subsidiary is United Airlines, Inc. (together with its consolidated subsidiaries, "United"). This Quarterly Report on Form 10-Q is a combined report of UAL and United, including their respective consolidated financial statements. As UAL consolidates United for financial statement purposes, disclosures that relate to activities of United also apply to UAL, unless otherwise noted. United's operating revenues and operating expenses comprise nearly 100% of UAL's revenues and operating expenses. In addition, United comprises approximately the entire balance of UAL's assets, liabilities and operating cash flows. When appropriate, UAL and United are named specifically for their individual contractual obligations and related disclosures and any significant differences between the operations and results of UAL and United are separately disclosed and explained. We sometimes use the words "we," "our," "us," and the "Company" in this report for disclosures that relate to all of UAL and United.

The UAL and United unaudited condensed consolidated financial statements shown here have been prepared as required by the U.S. Securities and Exchange Commission (the "SEC"). Some information and footnote disclosures normally included in financial statements that comply with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted as permitted by the SEC. The financial statements include all adjustments, including normal recurring adjustments and other adjustments, which are considered necessary for a fair presentation of the Company's financial position and results of operations. The UAL and United financial statements should be read together with the information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. The Company's quarterly financial data is subject to seasonal fluctuations and historically its second and third quarter financial results, which reflect higher travel demand, are better than its first and fourth quarter financial results.

NOTE 1 - RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board ("FASB") amended the FASB Accounting Standards Codification and created a new Topic 606, *Revenue from Contracts with Customers*. This amendment prescribes that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendment supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition,* and most industry-specific guidance throughout the Industry Topics of the Accounting Standards Codification, and is effective for annual and interim reporting periods beginning after December 15, 2017. Under the new standard, certain airline ancillary fees directly related to passenger revenue tickets, such as airline change fees and baggage fees, are likely to no longer be considered distinct performance obligations separate from the passenger travel component. In addition, the change fees which were previously recognized when received, will likely be recognized when transportation is provided. The Company is evaluating other possible impacts on its consolidated financial statements.

In February 2016, the FASB amended the FASB Accounting Standards Codification and created a new Topic 842, *Leases*. The guidance requires lessees to recognize a right-of-use asset and a lease liability for all leases (with the exception of short-term leases) at the commencement date and recognize expenses on their income statements similar to the current Topic 840, *Leases*. It is effective for fiscal years and interim periods beginning after December 15, 2018, and early adoption is permitted. The Company is evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-09, *Improvements to Employee Share-Based Payment Accounting.* The update requires excess tax benefits and tax deficiencies, which arise due to differences between the measure of compensation expense and the amount deductible for tax purposes, to be recorded directly through earnings as a component of income tax expense. Under current GAAP, these differences are generally recorded in additional paid-in capital and thus have no impact on net income. The change in treatment of excess tax benefits and tax deficiencies will also impact the computation of diluted earnings per share, and the cash flows associated with those items will be classified as operating activities on the condensed statements of consolidated cash flows. Additionally, entities will be permitted to make an accounting policy election for the impact of forfeitures on the recognition of expense for share-based payment awards. Forfeitures can be estimated, as required under current GAAP, or recognized when they occur. The amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company is evaluating the impact the adoption of this standard update will have on its consolidated financial statements and whether to early adopt the standard update.

The FASB issued Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent).* Under the standard, investments for which fair value is measured at net asset value ("NAV") per share (or its equivalent) using the practical expedient will no longer be categorized in the fair value hierarchy. The Company adopted this standard on January 1, 2016. As of June 30, 2016, the Company had approximately $201 million of such investments as part of its Short-term investments balance sheet total. In addition, pension plan investments measured at NAV per share will no longer be categorized within the fair value hierarchy. As of June 30, 2016, the Company had approximately $1.7 billion of such investments.

NOTE 2 - EARNINGS PER SHARE

The computations of UAL's basic and diluted earnings per share are set forth below (in millions, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Basic earnings per share:				
Earnings available to common stockholders	$ 588	$ 1,193	$ 901	$ 1,701
Basic weighted-average shares outstanding	331	380	342	381
Earnings per share, basic	$ 1.78	$ 3.14	$ 2.63	$ 4.46
Diluted earnings per share:				
Earnings available to common stockholders including the effect of dilutive securities	$ 588	$ 1,193	$ 901	$ 1,701
Diluted shares outstanding:				
Basic weighted-average shares outstanding	331	380	342	381
Effect of employee stock awards	—	—	1	1
Diluted weighted-average shares outstanding	331	380	343	382
Earnings per share, diluted	$ 1.78	$ 3.14	$ 2.63	$ 4.45

The number of antidilutive securities excluded from the computation of diluted earnings per share amounts was not material.

In the three and six months ended June 30, 2016, UAL repurchased 15 million and 42 million shares of UAL common stock in open market transactions, respectively, for $694 million and $2.2 billion, respectively. As of June 30, 2016, the Company had $255 million remaining to purchase shares under its 2015 $3 billion share repurchase authorization.

In July 2016, UAL's Board of Directors authorized a new $2 billion share repurchase program to acquire UAL's common stock.

UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws. UAL will repurchase shares of UAL common stock subject to prevailing market conditions, and may discontinue such repurchases at any time. See Part II, Item 2, "Unregistered Sales of Equity Securities and Use of Proceeds" of this report for additional information.

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NOTE 3 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The tables below present the components of the Company's accumulated other comprehensive income (loss), net of tax ("AOCI") (in millions):

UAL (a)	Pension and Other Postretirement Liabilities	Fuel Derivative Contracts	Investments and Other	Deferred Taxes: Pension and Other Postretirement Liabilities	Deferred Taxes: Fuel Derivative Contracts	Total
Balance at March 31, 2016	$ (401)	$ (93)	$ 3	$ (140)	$ (146)	$ (777)
Changes in value	10	17	—	(4)	(6)	17
Amounts reclassified to earnings	6	35	—	(2)	(13)	26
Net change	16	52	—	(6)	(19)	43
Balance at June 30, 2016	$ (385)	$ (41)	$ 3	$ (146)	$ (165)	$ (734)
Balance at December 31, 2015	$ (363)	$ (215)	$ 3	$ (154)	$ (102)	$ (831)
Changes in value	(33)	1	—	12	—	(20)
Amounts reclassified to earnings	11	173	—	(4)	(63)	117
Net change	(22)	174	—	8	(63)	97
Balance at June 30, 2016	$ (385)	$ (41)	$ 3	$ (146)	$ (165)	$ (734)

UAL (a)	Pension and Other Postretirement Liabilities	Fuel Derivative Contracts	Investments and Other	Deferred Taxes: Pension and Other Postretirement Liabilities	Deferred Taxes: Fuel Derivative Contracts	Total
Balance at March 31, 2015	$ (470)	$ (413)	$ 21	$ (115)	$ — (c)	$ (977)
Changes in value (b)	20	29	(10)	—	—	39
Amounts reclassified to earnings (b)	8	118	—	—	—	126
Net change	28	147	(10)	—	—	165
Balance at June 30, 2015	$ (442)	$ (266)	$ 11	$ (115)	$ — (c)	$ (812)
Balance at December 31, 2014	$ (472)	$ (499)	$ 7	$ (115)	$ — (c)	$(1,079)
Changes in value (b)	12	(46)	5	—	—	(29)
Amounts reclassified to earnings (b)	18	279	(1)	—	—	296
Net change	30	233	4	—	—	267
Balance at June 30, 2015	$ (442)	$ (266)	$ 11	$ (115)	$ — (c)	$ (812)

Details about AOCI Components	Amount Reclassified from AOCI to Income: Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	Affected Line Item in the Statements of Consolidated Operations
Fuel derivative contracts					
Reclassifications of losses into earnings	$ 35	$ 118	$ 173	$ 279	Aircraft fuel
Pension and other postretirement liabilities					
Amortization of unrecognized losses and prior service cost (credit) (d)	6	8	11	18	Salaries and related costs
Investments and other					
Available-for-sale securities-reclassifications of gains into earnings	—	—	—	(1)	Miscellaneous, net

(a) UAL and United amounts are substantially the same except for additional gains related to investments and other of $1 million at United for the three and six months ended June 30, 2015.
(b) Income tax expense for these items was offset by the Company's valuation allowance.
(c) Deferred tax balance was offset by the Company's valuation allowance.
(d) This AOCI component is included in the computation of net periodic pension and other postretirement costs (see Note 5 of this report for additional information).

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NOTE 4 - INCOME TAXES

The Company's effective tax rate for the three and six months ended June 30, 2016 was 36.9% and 36.8%, respectively, which represented a blend of federal, state and foreign taxes and the impact of certain nondeductible items. The effective tax rate for the six months ended June 30, 2015 was 0.4% due primarily to the existing income tax valuation allowance against net operating losses and other deferred income tax assets. During 2015, after considering all positive and negative evidence, the Company concluded that its deferred income taxes would more likely than not be realized. The Company released substantially all of its valuation allowance in the third quarter of 2015.

NOTE 5 - EMPLOYEE BENEFIT PLANS

Defined Benefit Pension and Other Postretirement Benefit Plans. The Company's net periodic benefit cost includes the following components (in millions):

	Pension Benefits Three Months Ended June 30,		Other Postretirement Benefits Three Months Ended June 30,	
	2016	2015	2016	2015
Service cost	$ 27	$ 31	$ 6	$ 5
Interest cost	50	50	22	21
Expected return on plan assets	(54)	(49)	(1)	(1)
Amortization of unrecognized (gain) loss and prior service cost (credit)	20	22	(14)	(14)
Settlement loss	1	—	—	—
Total	$ 44	$ 54	$ 13	$ 11

	Pension Benefits Six Months Ended June 30, 2016		Other Postretirement Benefits Six Months Ended June 30, 2016	
	2016	2015	2016	2015
Service cost	$ 55	$ 62	$ 10	$ 10
Interest cost	101	100	44	41
Expected return on plan assets	(108)	(98)	(1)	(1)
Amortization of unrecognized (gain) loss and prior service cost (credit)	38	44	(27)	(27)
Settlement loss	2	1	—	—
Total	$ 88	$ 109	$ 26	$ 23

During the three and six months ended June 30, 2016, the Company contributed $80 million and $160 million, respectively, to its U.S. domestic tax-qualified defined benefit pension plans.

Share-Based Compensation. During 2016, UAL granted share-based compensation awards pursuant to the United Continental Holdings, Inc. 2008 Incentive Compensation Plan. These share-based compensation awards include approximately 0.3 million shares of restricted stock and 0.8 million restricted stock units ("RSUs") that vest pro-rata over three years on the anniversary of the grant date. The time-vested RSUs are stock-settled for domestic employees and cash-settled based on the 20-day average closing price of UAL common stock immediately prior to the vesting date for international employees. The Company also granted 0.6 million performance-based RSUs that will vest based on the Company's return on invested capital and the Company's relative improvement in pre-tax margin for the three years ending December 31, 2018. If these performance conditions are achieved, cash payments will be made after the end of the performance period based on the 20-day average closing price of UAL common stock immediately prior to the vesting date. The Company accounts for the stock-settled RSUs as equity awards and the cash-settled RSUs as liability awards.

The table below presents information related to share-based compensation (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Share-based compensation expense	$ 3	$ 16	$ 13	$ 33

	June 30, 2016	December 31, 2015
Unrecognized share-based compensation	$ 71	$ 41

Profit Sharing Plans. Substantially all employees participate in profit sharing based on a percentage of pre-tax earnings, excluding special items, profit sharing expense and share-based compensation. Profit sharing percentages range from 5% to 20% depending on the work group, and in some cases profit sharing percentages vary above and below certain pre-tax margin thresholds. Eligible U.S. co-workers in each participating work group receive a profit sharing payout using a formula based on the ratio of each qualified co-worker's annual eligible earnings to the eligible earnings of all qualified co-workers in all domestic work groups. Eligible non-U.S. co-workers receive profit sharing based on the calculation under the U.S. profit sharing plan for management and administrative employees. Profit sharing expense is recorded as a component of Salaries and related costs in the Company's statements of consolidated operations.

NOTE 6 - FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The table below presents disclosures about the financial assets and liabilities measured at fair value on a recurring basis in the Company's financial statements (in millions):

	June 30, 2016				December 31, 2015			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 2,483	$ 2,483	$ —	$ —	$ 3,006	$ 3,006	$ —	$ —
Short-term investments:								
Corporate debt	872	—	872	—	891	—	891	—
Asset-backed securities	710	—	710	—	710	—	710	—
Certificates of deposit placed through an account registry service ("CDARS")	261	—	261	—	281	—	281	—
U.S. government and agency notes	106	—	106	—	72	—	72	—
Auction rate securities	9	—	—	9	9	—	—	9
Other fixed-income securities	43	—	43	—	26	—	26	—
Other investments measured at NAV (a)	201	—	—	—	201	—	—	—
Enhanced equipment trust certificates ("EETC")	24	—	—	24	26	—	—	26
Fuel derivatives liability, net	7	—	7	—	124	—	124	—
Foreign currency derivatives liability, net	1	—	1	—	—	—	—	—
Restricted cash	167	167	—	—	206	206	—	—

(a) In accordance with the relevant accounting standards, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. The investments measured using NAV are shares of mutual funds that invest in fixed-income instruments including bonds, debt securities, and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The Company can redeem its shares at any time at NAV subject to a three-day settlement period.

Available-for-sale investment maturities - The short-term investments shown in the table above are classified as available-for-sale. As of June 30, 2016, asset-backed securities have remaining maturities of less than one year to approximately 33 years, corporate debt securities have remaining maturities of less than one year to approximately six years and CDARS have maturities of less than one year. U.S. government and other securities have maturities of less than one year to approximately three years. The EETC securities mature in 2019.

Derivative instruments and investments presented in the tables above have the same fair value as their carrying value. The table below presents the carrying values and estimated fair values of financial instruments not presented in the tables above (in millions):

	Fair Value of Debt by Fair Value Hierarchy Level									
	June 30, 2016					December 31, 2015				
	Carrying Amount	Fair Value				Carrying Amount	Fair Value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Long-term debt	$ 10,547	$ 11,141	$ —	$ 8,425	$ 2,716	$ 10,897	$ 11,371	$ —	$ 8,646	$ 2,725

Fair value of the financial instruments included in the tables above was determined as follows:

Description	Fair Value Methodology
Cash and cash equivalents	The carrying amounts approximate fair value because of the short-term maturity of these assets.
Short-term investments and Restricted cash	Fair value is based on (a) the trading prices of the investment or similar instruments, (b) an income approach, which uses valuation techniques to convert future amounts into a single present amount based on current market expectations about those future amounts when observable trading prices are not available, (c) internally-developed models of the expected future cash flows related to the securities, or (d) broker quotes obtained by third-party valuation services.
Fuel derivatives	Derivative contracts are privately negotiated contracts and are not exchange traded. Fair value measurements are estimated with option pricing models that employ observable inputs. Inputs to the valuation models include contractual terms, market prices, yield curves, fuel price curves and measures of volatility, among others.
Foreign currency derivatives	Fair value is determined with a formula utilizing observable inputs. Significant inputs to the valuation models include contractual terms, risk-free interest rates and forward exchange rates.
Debt	Fair values were based on either market prices or the discounted amount of future cash flows using our current incremental rate of borrowing for similar liabilities.

NOTE 7 - HEDGING ACTIVITIES

Fuel Derivatives

The Company may hedge a portion of its future fuel requirements to protect against increases in the price of fuel. The Company may restructure hedges in response to market conditions prior to their original settlement dates which may result in changes in hedge coverage levels and the potential recognition of gains or losses on such hedge contracts. As of June 30, 2016, the Company had hedged approximately 12% of its projected fuel requirements (252 million gallons) for the remainder of 2016 with commonly used financial hedge instruments based on aircraft fuel or crude oil. As of June 30, 2016, the Company had fuel hedges expiring through December 2016.

As required, the Company assesses the effectiveness of each of its individual hedges on a quarterly basis. The Company also examines the effectiveness of its entire hedging program on a quarterly basis utilizing statistical analysis. This analysis involves utilizing regression and other statistical analyses that compare changes in the price of aircraft fuel to changes in the prices of the commodities used for hedging purposes.

Upon proper qualification, the Company accounts for certain fuel derivative instruments as cash flow hedges. All derivatives designated as hedges that meet certain requirements are granted hedge accounting treatment. The types of instruments the Company utilizes that qualify for hedge accounting treatment typically include swaps, call options, collars (which consist of a purchased call option and a sold put option), four-way collars (a collar with a higher strike sold call option and a lower strike purchased put option) and other combinations of options. Generally, utilizing hedge accounting, all periodic changes in the fair value of derivatives designated as hedges that are considered to be effective are recorded in AOCI until the underlying fuel is consumed and recorded in fuel expense. The Company is exposed to the risk that its hedges may not be effective in offsetting changes in the cost of fuel and that its hedges may not continue to qualify for hedge accounting. Hedge ineffectiveness results when the change in the fair value of the derivative instrument exceeds the change in the value of the Company’s expected future cash outlay to purchase and consume fuel. To the extent that the periodic changes in the fair value of the derivatives are not effective, that ineffectiveness is classified as Nonoperating income (expense): Miscellaneous, net in the statements of consolidated operations.

The Company also uses certain combinations of derivative contracts that are economic hedges but do not qualify for hedge accounting under GAAP. Additionally, the Company may enter into contracts at different times and later combine those contracts into structures designated for hedge accounting. As with derivatives that qualify for hedge accounting, the economic hedges and individual contracts are part of the Company’s program to mitigate the adverse financial impact of potential increases in the price of fuel. The Company records changes in the fair value of these various contracts that are not designated for hedge accounting to Nonoperating income (expense): Miscellaneous, net in the statements of consolidated operations.

If the Company settles a derivative prior to its contractual settlement date, then the cumulative gain or loss recognized in AOCI at the termination date remains in AOCI until the forecasted transaction occurs. In a situation where it becomes probable that a hedged forecasted transaction will not occur, any gains and/or losses that have been recorded to AOCI would be required to be immediately reclassified into earnings. All cash flows associated with purchasing and settling derivatives are classified as operating cash flows in the condensed statements of consolidated cash flows.

In addition to cash flow hedges, the Company from time to time enters into fair value hedges related to its aircraft fuel inventory using derivatives such as swaps and futures contracts based on aircraft fuel. Under fair value hedge accounting, the Company records changes in the fair value of both the hedging derivative and the hedged aircraft fuel inventory as fuel expense. The Company records ineffectiveness on fair value hedges as Nonoperating income (expense): Miscellaneous, net in the statements of consolidated operations. As of June 30, 2016, fair value hedges related to aircraft fuel were not material to the Company's financial statements.

The Company records each derivative instrument as a derivative asset or liability (on a gross basis) in its consolidated balance sheets, and, accordingly, records any related collateral on a gross basis. The table below presents the fair value amounts of fuel derivative assets and liabilities and the location of amounts recognized in the Company's financial statements.

The Company's derivatives were reported in its consolidated balance sheets as follows (in millions):

Classification	Balance Sheet Location	June 30, 2016	December 31, 2015
Derivatives designated as cash flow hedges			
Liabilities:			
Fuel contracts due within one year	Fuel derivative instruments	$ 7	$ 119
Derivatives not designated for hedge accounting			
Liabilities:			
Fuel contracts due within one year	Fuel derivative instruments	$ —	$ 5
Total derivatives			
Total liabilities		$ 7	$ 124

Derivative Credit Risk and Fair Value

The Company is exposed to credit losses in the event of non-performance by counterparties to its derivative instruments. While the Company records derivative instruments on a gross basis, the Company monitors its net derivative position with each counterparty to monitor credit risk. Based on the fair value of our fuel derivative instruments, our counterparties may require us to post collateral when the price of the underlying commodity decreases, and we may require our counterparties to provide us with collateral when the price of the underlying commodity increases. The Company did not hold or post collateral as of June 30, 2016. The Company had on deposit $26 million of collateral with fuel derivative counterparties as of December 31, 2015. The collateral is recorded as Prepaid expenses and other on the Company's balance sheets.

We have master trading agreements with all of our fuel hedging counterparties that allow us to net our fuel hedge derivative positions. We have elected not to net the fair value positions recorded on our consolidated balance sheets. The following table shows the potential net fair value positions (including fuel derivatives and related collateral) had we elected to offset. The table reflects offset at the counterparty level (in millions):

	June 30, 2016	December 31, 2015
Fuel derivative instruments, net of collateral	$ 7	$ 98

The following tables present the impact of derivative instruments and their location within the Company's unaudited statements of consolidated operations (in millions):

Derivatives designated as cash flow hedges

	Amount of Gain Recognized in AOCI on Derivatives (Effective Portion)		Loss Reclassified from AOCI into Fuel Expense		Amount of Loss Recognized in Nonoperating income (expense): Miscellaneous, net (Ineffective Portion)	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2016	2015	2016	2015	2016	2015
Fuel contracts	$ 17	$ 29	$ (35)	$ (118)	$ —	$ —

Derivatives designated as cash flow hedges

	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion)		Loss Reclassified from AOCI into Fuel Expense		Amount of Loss Recognized in Nonoperating income (expense): Miscellaneous, net (Ineffective Portion)	
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015	2016	2015
Fuel contracts	$ 1	$ (46)	$ (173)	$ (279)	$ —	$ —

Derivatives not designated for hedge accounting

Fuel contracts

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Amount of gain/(loss) recognized in Nonoperating income (expense): Miscellaneous, net	$ —	$ 41	$ —	$ (2)

Foreign Currency Derivatives

The Company generates revenues and incurs expenses in numerous foreign currencies. Changes in foreign currency exchange rates impact the Company's results of operations through changes in the dollar value of foreign currency-denominated operating revenues and expenses. Some of the Company's more significant foreign currency exposures include the Canadian dollar, Chinese renminbi, European euro, British pound and Japanese yen. At times, the Company uses derivative financial instruments, such as options, collars and forward contracts, to hedge its exposure to foreign currency. At June 30, 2016, the Company had foreign currency derivative contracts in place to hedge both European euro denominated sales and Japanese yen denominated sales. The notional amount of the hedges equates to 21% of the Company's projected European euro denominated net cash inflows for the remainder of 2016; and 26% of the Company's projected Japanese yen denominated net cash inflows for the remainder of 2016. Net cash relates primarily to passenger ticket sales inflows, partially offset by expenses paid in local currencies. At June 30, 2016, the fair value of the Company's foreign currency derivatives was a liability of $1 million.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Commitments. As of June 30, 2016, United had firm commitments and options to purchase aircraft from The Boeing Company ("Boeing"), Embraer S.A. ("Embraer") and Airbus S.A.S. ("Airbus") presented in the table below:

Aircraft Type	Number of Firm Commitments (a)
Airbus A350-1000	35
Boeing 737NG/737 MAX 9	176
Boeing 777-300ER	14
Boeing 787-8/-9/-10	21
Embraer E175	5

(a) United also has options and purchase rights for additional aircraft.

The aircraft listed in the table above are scheduled for delivery through 2024. For the remainder of 2016, United expects to take delivery of 11 Boeing 737NG aircraft, one Boeing 777-300ER aircraft and five Embraer E175 aircraft. United expects to assign the five Embraer E175 aircraft immediately prior to each aircraft's delivery by Embraer to a designated United Express operator.

As of June 30, 2016, United has secured backstop financing commitments from certain of its aircraft manufacturers for a limited number of its future aircraft deliveries, subject to certain customary conditions. Financing may be necessary to satisfy the Company's capital commitments for its firm order aircraft and other related capital expenditures. See Note 9 of this report for additional information on aircraft financing.

The table below summarizes United's commitments as of June 30, 2016, which primarily relate to the acquisition of aircraft and related spare engines, aircraft improvements and include other commitments primarily to acquire information technology services and assets. Any new firm aircraft orders, including through the exercise of purchase options and purchase rights, will increase the total future capital commitments of the Company.

	(in billions)
Last six months of 2016	$ 2.3
2017	4.3
2018	4.3
2019	3.3
2020	2.6
After 2020	6.9
	$ 23.7

Guarantees. As of June 30, 2016, United is the guarantor of approximately $1.9 billion in aggregate principal amount of tax-exempt special facilities revenue bonds and interest thereon. These bonds, issued by various airport municipalities, are payable solely from rentals paid under long-term agreements with the respective governing bodies. The leasing arrangements associated with $1.4 billion of these obligations are accounted for as operating leases with the associated expense recorded on a straight-line basis resulting in ratable accrual of the lease obligation over the expected lease term. The leasing arrangements associated with $342 million of these obligations are accounted for as capital leases. All of these bonds are due between 2017 and 2038.

As of June 30, 2016, United is the guarantor of $43 million of aircraft mortgage debt issued by one of United's regional carriers and is expected to be the guarantor of up to an additional $129 million of aircraft mortgage debt the regional carrier plans to issue in 2016.

In the Company's financing transactions that include loans, the Company typically agrees to reimburse lenders for any reduced returns with respect to the loans due to any change in capital requirements and, in the case of loans in which the interest rate is based on the London Interbank Offered Rate, for certain other increased costs that the lenders incur in carrying these loans as a result of any change in law, subject, in most cases, to obligations of the lenders to take certain limited steps to mitigate the requirement for, or the amount of, such increased costs. At June 30, 2016, the Company had $2.4 billion of floating rate debt and $104 million of fixed rate debt, with remaining terms of up to 12 years, that are subject to these increased cost provisions. In several financing transactions involving loans or leases from non-U.S. entities, with remaining terms of up to 12 years and an aggregate balance of $2.4 billion, the Company bears the risk of any change in tax laws that would subject loan or lease payments thereunder to non-U.S. entities to withholding taxes, subject to customary exclusions.

Labor Negotiations. As of June 30, 2016, United had approximately 87,500 active employees, of whom approximately 80% were represented by various labor organizations.

In January 2016, United's pilots, represented by the Air Line Pilots Association, International, agreed to extend their contract through January 31, 2019. In March 2016, the Company's dispatchers, represented by the Professional Airline Flight Control Association, agreed to extend their current contract through 2021. In April 2016, the fleet service, passenger service, storekeeper and other employees represented by the Int'l Association of Machinists and Aerospace Workers ("IAM") ratified seven new contracts with the Company which extended the contracts through 2021. In June 2016, United and The Association of Flight Attendants ("AFA") reached a tentative agreement. The AFA Joint Master Executive Council approved the agreement and will submit it to AFA members for ratification. The Company continues to negotiate in mediation for a joint technician and related employees' collective bargaining agreement.

NOTE 9 - DEBT

As of June 30, 2016, a substantial portion of the Company's assets, principally aircraft, route authorities, airport slots and loyalty program intangible assets, was pledged under various loan and other agreements. As of June 30, 2016, UAL and United were in compliance with their debt covenants. As of June 30, 2016, United had its entire capacity of $1.35 billion available under the revolving credit facility of the Company's 2013 Credit and Guaranty Agreement (the "Credit Agreement").

EETCs. In June 2016, United created EETC pass-through trusts, each of which issued pass-through certificates. The proceeds of the issuance of the pass-through certificates are used to purchase equipment notes issued by United and secured by its aircraft. The Company records the debt obligation upon issuance of the equipment notes rather than upon the initial issuance of the pass-through certificates. The pass-through certificates represent fractional undivided interests in the respective pass-through trusts and are not obligations of United. The payment obligations under the equipment notes are those of United. Proceeds received from the sale of pass-through certificates are initially held by a depositary in escrow for the benefit of the certificate holders until United issues equipment notes to the trust, which purchases such notes with a portion of the escrowed funds. These escrowed funds are not guaranteed by United and are not reported as debt on our consolidated balance sheet because the proceeds held by the depositary are not United's assets. Certain details of the pass-through trusts with proceeds received from issuance of debt in 2016 are as follows (in millions, except stated interest rate):

EETC Date	Class	Principal	Final expected distribution date	Stated interest rate	Total debt recorded as of June 30, 2016	Remaining proceeds from issuance of debt to be received in future periods
June 2016	AA	$ 729	March 2017	3.10%	$ —	$ 729
June 2016	A	324	March 2017	3.45%	—	324
		$ 1,053			$ —	$ 1,053

4.5% Convertible Notes due 2015. In the first quarter of 2015, the holders of substantially all of the remaining $202 million principal amount of the 4.5% Convertible Notes due 2015 exercised their conversion option resulting in the issuance of 11 million shares of UAL common stock.

6% Notes due 2026. In the first quarter of 2015, UAL used cash to repurchase $18 million par value 6% Notes due 2026 (the "2026 Notes") in market transactions. On April 1, 2015, UAL used cash to redeem, at par, the remaining $303 million balance of the 2026 Notes.

6% Notes due 2028. In the first quarter of 2015, UAL used cash to repurchase $13 million par value 6% Notes due 2028 (the "2028 Notes") in market transactions. On May 1, 2015, UAL used cash to redeem, at par, the remaining $298 million balance of the 2028 Notes.

NOTE 10 - SPECIAL CHARGES

For the three and six months ended June 30, special charges consisted of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
Operating:	2016	2015	2016	2015
Impairment of intangible asset related to Newark Liberty International Airport ("Newark") slots	$ 412	$ —	$ 412	$ —
Labor agreement costs	10	—	110	—
Severance and benefit costs	6	25	14	75
Cleveland airport lease restructuring	—	—	74	—
(Gains) losses on sale of assets and other special charges	6	30	14	44
Special charges	434	55	624	119
Nonoperating and income taxes:				
(Gain) loss on extinguishment of debt and other	(9)	128	(1)	134
Income tax benefit related to special charges	(153)	—	(225)	—
Total special charges, net of tax	$ 272	$ 183	$ 398	$ 253

In April 2016, the Federal Aviation Administration ("FAA") announced that it will designate Newark as a Level 2 schedule-facilitated airport under the International Air Transport Association Worldwide Slot Guidelines effective October 30, 2016. The designation was associated with an updated demand and capacity analysis of Newark by the FAA. In the second quarter of 2016, the Company has determined that the FAA's action has impaired the entire value of its Newark slots because the slots will no longer be the mechanism that governs take-off and landing rights. Accordingly, the Company recorded a $412 million special charge ($264 million net of taxes) to write off the intangible asset. The Newark slots served as part of the collateral for the term loans under the Company's Credit Agreement and under the Second Amended and Restated Co-Branded Card Marketing Services Agreement with Chase Bank USA, N.A. (the "Chase Agreement"). The Credit Agreement and the Chase Agreement have been amended to remove the Newark slots as collateral with no replacement collateral required.

The fleet service, passenger service, storekeeper and other employees represented by the IAM ratified seven new contracts with the Company which extended the contracts through 2021. During the three and six months ended June 30, 2016, the Company recorded $10 million ($6 million net of taxes) and $110 million ($70 million net of taxes), respectively, of special charges primarily for bonus payments to be made in conjunction with the ratification of these contracts.

During the three and six months ended June 30, 2016, the Company recorded $6 million ($4 million net of taxes) and $14 million ($9 million net of taxes), respectively, of severance and benefit costs. During the three and six months ended June 30, 2015, the Company recorded $25 million and $75 million, respectively, of severance and benefit costs. The severance and benefit costs primarily related to a voluntary early-out program for its flight attendants. In 2014, more than 2,500 flight attendants elected to voluntarily separate from the Company and will receive a severance payment, with a maximum value of $100,000 per participant, based on years of service, with retirement dates through the end of 2016.

During the six months ended June 30, 2016, the City of Cleveland agreed to amend the lease, which runs through 2029, associated with certain excess airport terminal space (principally Terminal D) and related facilities at Hopkins International Airport. The Company recorded an accrual for remaining payments under the lease for facilities that the Company no longer uses and will continue to incur costs under the lease without economic benefit to the Company. This liability was measured and recorded at its fair value when the Company ceased its right to use such facilities leased to it pursuant to the lease. The Company recorded a net charge of $74 million ($47 million net of taxes) related to the amended lease.

During the three and six months ended June 30, 2016, the Company recorded gains and losses on sale of assets and other special charges of $6 million ($4 million net of taxes) and $14 million ($9 million net of taxes), respectively.

During the six months ended June 30, 2016, the Company recorded $8 million ($5 million net of taxes) of losses due to exchange rate changes in Venezuela applicable to funds held in local currency, and the Company recorded a $9 million ($6 million net of taxes) gain on the sale of an affiliate.

During the three and six months ended June 30, 2015, the Company recorded $30 million and $44 million, respectively, for integration costs, impairment of assets and other special gains and losses.

During the three and six months ended June 30, 2015, the Company recorded $128 million and $134 million, respectively, of losses as part of Nonoperating income (expense): Miscellaneous, net due to the write-off of the unamortized non-cash debt discount related to the extinguishment of the 6% Notes due 2026 and 6% Notes due 2028.

Accruals

The accrual balance for severance and benefits was $30 million as of June 30, 2016, compared to $104 million as of June 30, 2015. The severance-related accrual as of June 30, 2016 is expected to be mostly paid through 2016. The following is a reconciliation of severance accrual activity for the period:

	Severance and Benefits
Balance at December 31, 2015	$ 27
Accrual	14
Payments	(11)
Balance at June 30, 2016	$ 30

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

United Continental Holdings, Inc. (together with its consolidated subsidiaries, "UAL" or the "Company") is a holding company and its principal, wholly-owned subsidiary is United Airlines, Inc. (together with its consolidated subsidiaries, "United"). This Quarterly Report on Form 10-Q is a combined report of UAL and United including their respective consolidated financial statements. As UAL consolidates United for financial statement purposes, disclosures that relate to activities of United also apply to UAL, unless otherwise noted. United's operating revenues and operating expenses comprise nearly 100% of UAL's revenues and operating expenses. In addition, United comprises approximately the entire balance of UAL's assets, liabilities and operating cash flows. When appropriate, UAL and United are named specifically for their individual contractual obligations and related disclosures and any significant differences between the operations and results of UAL and United are separately disclosed and explained. We sometimes use the words "we," "our," "us," and the "Company" in this report for disclosures that relate to all of UAL and United.

The Company transports people and cargo through its mainline operations, which utilize jet aircraft with at least 118 seats, and regional operations, which utilize smaller aircraft that are operated under contract by United Express carriers. The Company serves virtually every major market around the world, either directly or through participation in Star Alliance®, the world's largest airline alliance. UAL, through United and its regional carriers, operates more than 4,500 flights a day to 339 airports across five continents.

Second Quarter Financial Highlights

- Second quarter 2016 net income was $588 million, or $1.78 diluted earnings per share as compared to net income of $1.2 billion and diluted earnings per share of $3.14 in the second quarter of 2015.
- Passenger revenue decreased 6.6% to $8.1 billion during the second quarter of 2016 as compared to the second quarter of 2015.
- Second quarter 2016 aircraft fuel cost decreased 31.8% year-over-year.
- The Company recorded $425 million of special charges and $343 million of income taxes.
- Unrestricted liquidity at June 30, 2016 was $6.0 billion, including $1.35 billion of undrawn commitments under the Company's revolving credit facility.
- In the three and six months ended June 30, 2016, UAL repurchased 15 million and 42 million shares of its common stock in open market transactions for $694 million and $2.2 billion, respectively. As of June 30, 2016, the Company had $255 million remaining to purchase shares under its 2015 $3 billion share repurchase authorization. In July 2016, UAL's Board of Directors authorized a new $2 billion share repurchase program to acquire UAL's common stock.

Second Quarter Operational Highlights

- United reported a consolidated on-time arrival rate (domestic and international) of 67.9%, up more than 11 points from the same quarter last year.
- Consolidated traffic decreased 0.5% and consolidated capacity increased 0.1% during the second quarter of 2016 as compared to the second quarter of 2015. The Company's load factor for the second quarter of 2016 was 83.5%.
- The Company took delivery of two Boeing 737-800 aircraft and two Boeing 787-9 aircraft during the second quarter of 2016.

Outlook

The Company expects full-year 2016 consolidated capacity to increase between 1.0% and 1.5% year-over-year.

The Company expects to drive $3.1 billion of incremental value by 2018. United anticipates to capture this value through benefits from improved operations by focusing on re-attracting premium customers, reducing cost of irregular operations, reducing re-accommodations and improving schedule quality. In addition, the Company will introduce new products to its industry-leading existing portfolio of products such as our recently announced Polaris business class seats and enhance revenue through various MileagePlus program initiatives. Finally, the Company plans to improve its costs structure through an upgauge and slimline seat program and ongoing sensible cost management.

In the first quarter of 2016, United reached contract extensions with its pilots and dispatchers. In the second quarter, United also reached amended collective bargaining agreements with its Int'l Association of Machinists and Aerospace Workers ("IAM") represented employees and reached a tentative agreement for a joint flight attendant collective bargaining agreement. United continues to negotiate in mediation for a joint technician and related employees' collective bargaining agreement. The cost associated with the ratification of the pilots' agreement, the dispatchers and the IAM will add an additional approximate 1.5 points of non-fuel unit costs for full-year 2016, primarily due to the pilots' agreement, and will add an additional approximate 0.75 points of non-fuel unit costs for full-year 2017, primarily due to the IAM agreement. The Company cannot predict the outcome of ongoing and future negotiations with its unionized employee groups. Significant increases in the pay and benefits resulting from new collective bargaining agreements would have a material financial impact on the Company.

The price of jet fuel remains volatile. Based on projected fuel consumption in 2016, a one dollar change in the price of a barrel of crude oil would change the Company's annual fuel expense by approximately $93 million. To protect against increases in the prices of aircraft fuel, the Company may hedge a portion of its future fuel requirements.

RESULTS OF OPERATIONS

The following discussion provides an analysis of results of operations and reasons for material changes therein for the three months ended June 30, 2016 as compared to the corresponding period in 2015.

Second Quarter 2016 Compared to Second Quarter 2015

The Company recorded net income of $588 million in the second quarter of 2016 as compared to net income of $1.2 billion in the second quarter of 2015. Second quarter 2016 net income reflects $343 million of income tax expense primarily due to the release of the income tax valuation allowance in the third quarter of 2015. The Company considers a key measure of its performance to be operating income, which was $1.1 billion for the second quarter of 2016, as compared to $1.4 billion for the second quarter of 2015, a $385 million decrease year-over-year. Significant components of the Company's operating results for the three months ended June 30 are as follows (in millions, except percentage changes):

	2016	2015	Increase (Decrease)	% Increase (Decrease)
Operating revenue	$9,396	$9,914	$ (518)	(5.2)
Operating expense	8,336	8,469	(133)	(1.6)
Operating income	1,060	1,445	(385)	(26.6)
Nonoperating expense	(129)	(248)	(119)	(48.0)
Income tax expense	343	4	339	NM
Net income	$ 588	$1,193	$ (605)	(50.7)

NM - Not meaningful

Certain consolidated statistical information for the Company's operations for the three months ended June 30 is as follows:

	2016	2015	Increase (Decrease)	% Increase (Decrease)
Passengers (thousands) (a)	36,416	36,231	185	0.5
Revenue passenger miles ("RPMs") (millions) (b)	54,017	54,289	(272)	(0.5)
Available seat miles ("ASMs") (millions) (c)	64,725	64,685	40	0.1
Passenger load factor (d)	83.5 %	83.9 %	(0.4) pts.	N/A
Passenger revenue per available seat mile ("PRASM") (cents)	12.52	13.41	(0.89)	(6.6)
Average yield per revenue passenger mile ("Yield") (cents) (e)	15.00	15.98	(0.98)	(6.1)
Cost per available seat mile ("CASM") (cents)	12.88	13.09	(0.21)	(1.6)
Average price per gallon of fuel, including fuel taxes	$ 1.44	$ 2.10	$ (0.66)	(31.4)
Fuel gallons consumed (millions)	995	1,004	(9)	(0.9)
Average full-time equivalent employees	83,200	82,300	900	1.1

(a) The number of revenue passengers measured by each flight segment flown.
(b) The number of scheduled miles flown by revenue passengers.
(c) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.
(d) Revenue passenger miles divided by available seat miles.
(e) The average passenger revenue received for each revenue passenger mile flown.

Operating Revenue

The table below shows year-over-year comparisons by type of operating revenue for the three months ended June 30 (in millions, except for percentage changes):

	2016	2015	Increase (Decrease)	% Change
Passenger—Mainline	$6,525	$6,961	$ (436)	(6.3)
Passenger—Regional	1,578	1,715	(137)	(8.0)
Total passenger revenue	8,103	8,676	(573)	(6.6)
Cargo	208	229	(21)	(9.2)
Other operating revenue	1,085	1,009	76	7.5
	$9,396	$9,914	$ (518)	(5.2)

The table below presents selected second quarter passenger revenue and operating data, broken out by geographic region, expressed as year-over-year changes:

	Domestic	Atlantic	Pacific	Latin	Total Mainline	Regional	Consolidated
Increase (decrease) from 2015:							
Passenger revenue (in millions)	$ (130)	$ (129)	$ (95)	$ (82)	$ (436)	$ (137)	$ (573)
Passenger revenue	(3.7)%	(7.9)%	(8.6)%	(11.8)%	(6.3)%	(8.0)%	(6.6)%
Average fare per passenger	(8.0)%	(5.0)%	(6.8)%	(13.1)%	(9.1)%	(2.9)%	(7.1)%
Yield	(4.7)%	(4.8)%	(8.0)%	(13.5)%	(6.2)%	(4.2)%	(6.1)%
PRASM	(4.6)%	(10.3)%	(7.6)%	(10.5)%	(6.9)%	(3.4)%	(6.6)%
Passengers	4.7 %	(3.1)%	(1.9)%	1.5 %	3.1 %	(5.2)%	0.5 %
RPMs (traffic)	1.1 %	(3.2)%	(0.7)%	2.0 %	— %	(4.0)%	(0.5)%
ASMs (capacity)	0.9 %	2.7 %	(1.1)%	(1.5)%	0.7 %	(4.8)%	0.1 %
Passenger load factor (points)	0.2	(4.6)	0.3	2.8	(0.6)	0.7	(0.4)

Consolidated passenger revenue in the second quarter of 2016 decreased 6.6% as compared to the year-ago period primarily due to a decrease in consolidated yield of 6.1% year-over-year. Yields were impacted by a strong U.S. dollar, lower surcharges, travel reductions from customers impacted by declining oil prices, competitive actions and higher yielding demand not keeping pace with industry capacity.

Cargo revenue decreased $21 million, or 9.2%, in the second quarter of 2016 as compared to the year-ago period due to lower freight yields, partially offset by higher freight volume year-over-year. Yields were negatively impacted as air freighter competitors increased capacity in response to lower fuel prices.

Other operating revenue in the second quarter of 2016 increased $76 million, or 7.5%, as compared to the year-ago period primarily due to the impact of the Second Amended and Restated Co-Branded Card Marketing Services Agreement with Chase Bank USA, N.A. (the “Chase Agreement”), which became effective in the third quarter of 2015.

Operating Expenses

The table below includes data related to the Company’s operating expenses for the three months ended June 30 (in millions, except for percentage changes):

	2016	2015	Increase (Decrease)	% Change
Salaries and related costs	$2,592	$2,454	$ 138	5.6
Aircraft fuel	1,437	2,106	(669)	(31.8)
Regional capacity purchase	551	583	(32)	(5.5)
Landing fees and other rent	541	553	(12)	(2.2)
Depreciation and amortization	491	445	46	10.3
Aircraft maintenance materials and outside repairs	448	431	17	3.9
Distribution expenses	339	348	(9)	(2.6)
Aircraft rent	175	194	(19)	(9.8)
Special charges	434	55	379	NM
Other operating expenses	1,328	1,300	28	2.2
	$8,336	$8,469	$ (133)	(1.6)

Salaries and related costs increased $138 million, or 5.6%, in the second quarter of 2016 as compared to the year-ago period primarily due to higher pay rates and benefit expenses driven by the extension of current collective bargaining agreements, an increase in employee incentive expenses due to improvements in operational performance and a 1.1% increase in average full-time equivalent employees.

Aircraft fuel expense decreased $669 million, or 31.8%, year-over-year primarily due to a 31.4% decrease in the average price per gallon of aircraft fuel in the second quarter of 2016 compared to the year-ago period. Second quarter 2016 fuel expense includes the benefit of a $20 million fuel tax refund. The table below presents the significant changes in aircraft fuel cost per gallon in the three month period ended June 30, 2016 as compared to the year-ago period:

	(In millions)			Average price per gallon		
	2016	2015	% Change	2016	2015	% Change
Total aircraft fuel purchase cost excluding fuel hedge impacts	$1,402	$1,988	(29.5)	$ 1.41	$ 1.98	(28.8)
Hedge losses reported in fuel expense	(35)	(118)	NM	(0.03)	(0.12)	NM
Fuel expense as reported	$1,437	$2,106	(31.8)	$ 1.44	$ 2.10	(31.4)
Total fuel consumption (gallons)	995	1,004	(0.9)			

Regional capacity purchase decreased $32 million or 5.5%, in the second quarter of 2016 as compared to the year-ago period primarily due to a decrease in regional capacity and a decrease in one-time start-up and exit costs, partially offset by an increase in Embraer 170 maintenance costs and certain contractual rate increases.

Depreciation and amortization increased $46 million, or 10.3%, in the second quarter of 2016 as compared to the year-ago period primarily due to additions of new aircraft, conversions of operating leases to capital leases, aircraft improvements, and accelerated depreciation of certain assets related to several fleet types.

Details of the Company's special charges include the following for the three months ended June 30 (in millions):

	2016	2015
Impairment of intangible asset related to Newark Liberty International Airport ("Newark") slots	$412	$ —
Labor agreement costs	10	—
Severance and benefit costs	6	25
(Gains) losses on sale of assets and other special charges	6	30
Special charges	$434	$ 55

See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information.

Nonoperating Income (Expense). The following table illustrates the year-over-year dollar and percentage changes in the Company's nonoperating income (expense) for the three months ended June 30 (in millions, except for percentage changes):

	2016	2015	Increase (Decrease)	% Change
Interest expense	$(157)	$(167)	$ (10)	(6.0)
Interest capitalized	14	13	1	7.7
Interest income	9	6	3	50.0
Miscellaneous, net	5	(100)	(105)	NM
Total	$(129)	$ (248)	$ (119)	(48.0)

In the second quarter of 2016, Miscellaneous, net did not include any gains or losses from derivatives not qualifying for hedge accounting as compared to gains of $41 million in the year-ago period. Foreign currency losses were approximately $12 million in the second quarters of 2016 and 2015. Second quarter 2016 Miscellaneous, net includes a $9 million special gain on the sale of an affiliate. Second quarter 2015 Miscellaneous, net includes a $128 million special charge related to the write off of unamortized non-cash debt discounts for the early redemption of the 6% Notes due 2026 (the "2026 Notes") and the 6% Notes due 2028 (the "2028 Notes"). See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information.

Income Taxes. See Note 4 to the financial statements included in Part I, Item 1 of this report for additional information related to income taxes.

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RESULTS OF OPERATIONS

First Six Months 2016 Compared to First Six Months 2015

The Company recorded net income of $901 million in the first six months of 2016 as compared to net income of $1.7 billion in the first six months of 2015. The first six months 2016 net income reflects $524 million of income tax expense primarily due to the release of the income tax valuation allowance in the third quarter of 2015. The Company considers a key measure of its performance to be operating income, which was $1.7 billion for the first six months of 2016, as compared to $2.2 billion for the first six months of 2015, a $0.5 billion decrease year-over-year. Significant components of the Company's operating results for the six months ended June 30 are as follows (in millions, except percentage changes):

	2016	2015	Increase (Decrease)	% Increase (Decrease)
Operating revenue	$17,591	$18,522	$ (931)	(5.0)
Operating expense	15,882	16,336	(454)	(2.8)
Operating income	1,709	2,186	(477)	(21.8)
Nonoperating expense	(284)	(478)	(194)	(40.6)
Income tax expense	524	7	517	NM
Net income	$ 901	$ 1,701	$ (800)	(47.0)

NM - Not meaningful

Certain consolidated statistical information for the Company's operations for the six months ended June 30 is as follows:

	2016	2015	Increase (Decrease)	% Increase (Decrease)
Passengers (thousands) (a)	68,503	67,753	750	1.1
RPMs (millions) (b)	100,599	100,733	(134)	(0.1)
ASMs (millions) (c)	122,998	121,954	1,044	0.9
Passenger load factor (d)	81.8 %	82.6 %	(0.8) pts.	N/A
PRASM (cents)	12.27	13.20	(0.93)	(7.0)
Yield (cents) (e)	15.00	15.98	(0.98)	(6.1)
CASM (cents)	12.91	13.40	(0.49)	(3.7)
Average price per gallon of fuel, including fuel taxes	$ 1.41	$ 2.09	$ (0.68)	(32.5)
Fuel gallons consumed (millions)	1,885	1,900	(15)	(0.8)
Average full-time equivalent employees	82,800	82,000	800	1.0

(a) The number of revenue passengers measured by each flight segment flown.
(b) The number of scheduled miles flown by revenue passengers.
(c) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.
(d) Revenue passenger miles divided by available seat miles.
(e) The average passenger revenue received for each revenue passenger mile flown.

Operating Revenue

The table below shows year-over-year comparisons by type of operating revenue for the six months ended June 30 (in millions, except for percentage changes):

	2016	2015	Increase (Decrease)	% Change
Passenger—Mainline	$12,102	$12,899	$ (797)	(6.2)
Passenger—Regional	2,991	3,197	(206)	(6.4)
Total passenger revenue	15,093	16,096	(1,003)	(6.2)
Cargo	402	471	(69)	(14.6)
Other operating revenue	2,096	1,955	141	7.2
	$17,591	$18,522	$ (931)	(5.0)

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The table below presents selected passenger revenue and operating data, broken out by geographic region, expressed as year-over-year changes for the six months ended June 30, 2016 compared to the six months ended June 30, 2015:

	Domestic	Atlantic	Pacific	Latin	Total Mainline	Regional	Consolidated
Increase (decrease) from 2015:							
Passenger revenue (in millions)	$ (213)	$ (270)	$ (202)	$ (112)	$ (797)	$ (206)	$ (1,003)
Passenger revenue	(3.3)%	(9.6)%	(9.3)%	(7.8)%	(6.2)%	(6.4)%	(6.2)%
Average fare per passenger	(7.5)%	(4.6)%	(7.3)%	(14.5)%	(9.5)%	(2.2)%	(7.3)%
Yield	(4.5)%	(4.5)%	(7.9)%	(14.3)%	(6.4)%	(4.0)%	(6.1)%
PRASM	(5.0)%	(9.6)%	(8.4)%	(12.6)%	(7.5)%	(3.8)%	(7.0)%
Passengers	4.6 %	(5.2)%	(2.2)%	7.8 %	3.6 %	(4.3)%	1.1 %
RPMs (traffic)	1.3 %	(5.3)%	(1.5)%	7.6 %	0.2 %	(2.6)%	(0.1)%
ASMs (capacity)	1.8 %	0.1%	(0.9)%	5.5 %	1.3 %	(2.7)%	0.9 %
Passenger load factor (points)	(0.4)	(4.1)	(0.5)	1.6	(0.9)	0.2	(0.8)

Consolidated passenger revenue in the first six months of 2016 decreased 6.2% as compared to the year-ago period due to a decrease in consolidated yield of 6.1% year-over-year. Yields were impacted by a strong U.S. dollar, lower surcharges, travel reductions from customers impacted by declining oil prices, competitive actions and higher yielding demand not keeping pace with industry capacity. The decline in yields was partially offset by a 0.9% year-over-year increase in capacity.

Cargo revenue decreased $69 million or 14.6%, in the first six months of 2016 as compared to the year-ago period due to lower freight yields and lower mail volumes year-over-year. Freight yields were negatively impacted as air freighter competitors increased capacity in response to lower fuel prices. Another contributing factor to the year-over-year decrease was a U.S. West Coast port labor dispute that helped increase air freight results in the first quarter of 2015. The labor dispute was resolved during the first quarter of 2015.

Other operating revenue in the first six months of 2016 increased $141 million or 7.2%, as compared to the year-ago period primarily due to the impact of the Chase Agreement, which became effective in the third quarter of 2015.

Operating Expenses

The table below includes data related to the Company's operating expenses for the six months ended June 30 (in millions, except for percentage changes):

	2016	2015	Increase (Decrease)	% Change
Salaries and related costs	$ 5,082	$ 4,755	$ 327	6.9
Aircraft fuel	2,655	3,970	(1,315)	(33.1)
Regional capacity purchase	1,073	1,153	(80)	(6.9)
Landing fees and other rent	1,066	1,096	(30)	(2.7)
Depreciation and amortization	970	874	96	11.0
Aircraft maintenance materials and outside repairs	850	828	22	2.7
Distribution expenses	642	660	(18)	(2.7)
Aircraft rent	353	395	(42)	(10.6)
Special charges	624	119	505	NM
Other operating expenses	2,567	2,486	81	3.3
	$15,882	$16,336	$ (454)	(2.8)

Salaries and related costs increased $327 million or 6.9%, in the first six months of 2016 as compared to the year-ago period primarily due to higher pay rates and benefit expenses driven by the extension of current collective bargaining agreements, an increase in employee incentive expenses due to improvements in operational performance and a 1.0% increase in average full-time equivalent employees.

Aircraft fuel expense decreased $1.3 billion or 33.1%, year-over-year primarily due to a 32.5% decrease in the average price per gallon of aircraft fuel in the first six months of 2016 compared to the year-ago period. 2016 fuel expense includes the benefit of a $20 million fuel tax refund. The table below presents the significant changes in aircraft fuel cost per gallon in the six months ended June 30, 2016 as compared to the year-ago period:

	(In millions)			Average price per gallon		
	2016	2015	% Change	2016	2015	% Change
Total aircraft fuel purchase cost excluding fuel hedge impacts	$2,482	$3,691	(32.8)	$ 1.32	$ 1.94	(32.0)
Hedge losses reported in fuel expense	(173)	(279)	NM	(0.09)	(0.15)	NM
Fuel expense as reported	$2,655	$ 3,970	(33.1)	$ 1.41	$ 2.09	(32.5)
Total fuel consumption (gallons)	1,885	1,900	(0.8)			

Regional capacity purchase decreased $80 million or 6.9%, in the first six months of 2016 as compared to the year-ago period primarily due to a decrease in regional capacity and a decrease in one-time start-up and exit costs, partially offset by contractual rate increases.

Depreciation and amortization increased $96 million or 11.0%, in the first six months of 2016 as compared to the year-ago period primarily due to additions of new aircraft, conversions of operating leases to capital leases, aircraft improvements, and accelerated depreciation of certain assets related to several fleet types.

Details of the Company's special charges include the following for the six months ended June 30 (in millions):

	2016	2015
Impairment of intangible asset related to Newark slots	$412	$ —
Labor agreement costs	110	—
Cleveland airport lease restructuring	74	—
Severance and benefit costs	14	75
(Gains) losses on sale of assets and other special charges	14	44
Special charges	$624	$119

See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information.

Nonoperating Income (Expense). The following table illustrates the year-over-year dollar and percentage changes in the Company's nonoperating income (expense) for the six months ended June 30 (in millions, except for percentage changes):

	2016	2015	Increase (Decrease)	% Change
Interest expense	$(316)	$(340)	$ (24)	(7.1)
Interest capitalized	28	25	3	12.0
Interest income	17	11	6	54.5
Miscellaneous, net	(13)	(174)	(161)	(92.5)
Total	$(284)	$(478)	$ (194)	(40.6)

In the first six months of 2016, Miscellaneous, net did not include any gains or losses from derivatives not qualifying for hedge accounting as compared to losses of $2 million in the year-ago period. Foreign currency losses were approximately $27 million and $36 million in the first six months of 2016 and 2015, respectively. Foreign currency results in 2016 include $8 million of losses due to exchange rate changes in Venezuela applicable to funds held in local currency. Miscellaneous, net for 2016 includes a $9 million gain on the sale of an affiliate. Miscellaneous, net for the first six months of 2015 includes a $134 million special charge related to the write off of unamortized non-cash debt discounts for the early redemption of the 2026 Notes and the 2028 Notes. See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information.

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Income Taxes. See Note 4 to the financial statements included in Part I, Item 1 of this report for additional information related to income taxes.

LIQUIDITY AND CAPITAL RESOURCES

Current Liquidity

As of June 30, 2016, the Company had $4.7 billion in unrestricted cash, cash equivalents and short-term investments, as compared to $5.2 billion at December 31, 2015. At June 30, 2016, the Company also had $167 million of restricted cash and cash equivalents, which is primarily collateral for performance bonds, letters of credit, estimated future workers' compensation claims and credit card processing agreements. As of June 30, 2016, the Company had its entire commitment capacity of $1.35 billion under the revolving credit facility of the Company's 2013 Credit and Guaranty Agreement (the "Credit Agreement") available for letters of credit or borrowings.

As is the case with many of our principal competitors, we have a high proportion of debt compared to capital and a deficit in working capital. We have a significant amount of fixed obligations, including debt, aircraft leases and financings, leases of airport property and other facilities, and pension funding obligations. At June 30, 2016, the Company had approximately $11.4 billion of debt and capital lease obligations, including $1.4 billion that will become due in the next 12 months. In addition, we have substantial noncancelable commitments for capital expenditures, including the acquisition of new aircraft and related spare engines. As of June 30, 2016, our current liabilities exceeded our current assets by approximately $6.1 billion. However, approximately $7.5 billion of our current liabilities are related to our Advance ticket sales and Frequent flyer deferred revenue, both of which largely represent revenue to be recognized for travel in the near future and not actual cash outlays. The deficit in working capital does not have an adverse impact to our cash flows, liquidity or operations.

As of June 30, 2016, United had firm commitments and options to purchase aircraft from The Boeing Company ("Boeing"), Embraer S.A. ("Embraer") and Airbus S.A.S. ("Airbus") presented in the table below:

Aircraft Type	Number of Firm Commitments (a)
Airbus A350-1000	35
Boeing 737NG/737 MAX 9	176
Boeing 777-300ER	14
Boeing 787-8/-9/-10	21
Embraer E175	5

(a) United also has options and purchase rights for additional aircraft.

The aircraft listed in the table above are scheduled for delivery through 2024. For the remainder of 2016, United expects to take delivery of 11 Boeing 737NG aircraft, one Boeing 777-300ER aircraft and five Embraer E175 aircraft. United expects to assign the five Embraer E175 aircraft immediately prior to each aircraft's delivery by Embraer to a designated United Express operator.

As of June 30, 2016, United has secured backstop financing commitments from certain of its aircraft manufacturers for a limited number of its future aircraft deliveries, subject to certain customary conditions. Financing may be necessary to satisfy the Company's capital commitments for its firm order aircraft and other related capital expenditures. See Note 9 to the financial statements included in Part I, Item 1 of this report for additional information on aircraft financing.

As of June 30, 2016, UAL and United have total capital commitments primarily related to the acquisition of aircraft and related spare engines, aircraft improvements and acquisition of information technology services and assets of approximately $23.7 billion, of which approximately $2.3 billion, $4.3 billion, $4.3 billion, $3.3 billion, $2.6 billion and $6.9 billion are due in the last six months of 2016 and for the full year for 2017, 2018, 2019, 2020 and thereafter, respectively. Any new firm aircraft orders, including through the exercise of purchase options and purchase rights, will increase the total future capital commitments of the Company.

As of June 30, 2016, a substantial portion of the Company's assets, principally aircraft, route authorities, airport slots and loyalty program intangible assets, was pledged under various loan and other agreements. We must sustain our profitability and/or access the capital markets to meet our significant long-term debt and capital lease obligations and future commitments for capital expenditures, including the acquisition of aircraft and related spare engines.

Credit Ratings. As of the filing date of this report, UAL and United had the following corporate credit ratings:

	S&P	Moody's	Fitch
UAL	BB-	Ba3	BB-
United	BB-	*	BB-

* The credit agency does not issue corporate credit ratings for subsidiary entities.

These credit ratings are below investment grade levels. Downgrades from these rating levels, among other things, could restrict the availability or increase the cost of future financing for the Company.

Sources and Uses of Cash

Operating Activities. Cash flow provided by operations for the six months ended June 30, 2016 was $3.7 billion compared to $3.6 billion in the same period in 2015. Net income for the first six months of 2016 decreased $0.8 billion versus the year-ago period. However, net income in 2016 includes $0.9 billion more in non-cash expenses versus the year-ago period. Significant non-cash items in 2016 include the $0.4 billion impairment of the Newark slots and $0.5 billion of income tax expense. Frequent flyer deferred revenue and advanced purchase of miles decreased by approximately $0.2 billion due to increased utilization of pre-purchased miles. Other changes in working capital items were largely offsetting in the first six months of 2016 versus the first six months of 2015. Significant cash payments in 2016 included $0.7 billion in profit sharing and $0.2 billion in pension funding.

Investing Activities. Capital expenditures were $1.7 billion and $1.3 billion in the six months ended June 30, 2016 and 2015, respectively. Capital expenditures for the six months ended June 30, 2016 were primarily attributable to the purchase of aircraft, facility and fleet-related costs. In addition to capital expenditures during the six months ended June 30, 2016, we acquired one aircraft through the issuance of debt. In June 2015, through a wholly-owned subsidiary, we invested $100 million for an ownership stake of approximately five percent in Azul Linhas Aereas Brasileiras S.A., Brazil's third-largest airline, which provides a range of customer benefits including codesharing of flights (subject to government approval), joint loyalty-program participation and expanded connection opportunities on routes between the U.S. and Brazil, a key market for United, in addition to other points in North and South America.

Financing Activities. During the six months ended June 30, 2016, the Company made debt and capital lease payments of $519 million.

In the second quarter of 2016, United completed an enhanced equipment trust certificates ("EETC") offering for a total principal amount of $1.1 billion. United had not received any of the proceeds and accordingly had not recorded any debt related to the EETC offering as of June 30, 2016. United expects to receive all proceeds from the pass-through trusts by the end of the first quarter of 2017. See Note 9 to the financial statements included in Part I, Item 1 of this report for additional information on EETC pass-through trusts.

In the first quarter of 2015, the holders of substantially all of the remaining $202 million principal amount of United's 4.5% Convertible Notes due 2015 exercised their conversion option resulting in the issuance of 11 million shares of UAL common stock.

In the first quarter of 2015, UAL used cash to repurchase $18 million par value 2026 Notes in market transactions. On April 1, 2015, UAL used cash to redeem, at par, the remaining $303 million balance of the 2026 Notes.

In the first quarter of 2015, UAL used cash to repurchase $13 million par value 2028 Notes in market transactions. On May 1, 2015, UAL used cash to redeem, at par, the remaining $298 million balance of the 2028 Notes.

In the first six months of 2015, United issued $0.9 billion of debt related to a 2014 EETC offering to finance new aircraft.

As of June 30, 2016, United had its entire capacity of $1.35 billion available under the revolving credit facility of the Company's Credit Agreement. See Note 11 in the Annual Report on Form 10-K for the year ended December 31, 2015 (the "2015 Annual Report") for additional information on the terms of the Credit Agreement.

The obligations of United under the Credit Agreement are secured by liens on certain international route authorities between certain specified cities, certain take-off and landing rights and related assets of United. Certain covenants in the Credit Agreement and in the Company's indentures are summarized in Note 11 of the 2015 Annual Report. The Company was in compliance with all of these covenants as of June 30, 2016.

Share Repurchase Programs. In the three and six months ended June 30, 2016, UAL repurchased 15 million and 42 million shares of UAL common stock in open market transactions, respectively, for $694 million and $2.2 billion, respectively. As of June 30, 2016, the Company had $255 million remaining to purchase shares under its 2015 $3 billion share repurchase authorization.

In July 2016, UAL's Board of Directors authorized a new $2 billion share repurchase program to acquire UAL's common stock.

UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws. UAL will repurchase shares of UAL common stock subject to prevailing market conditions, and may discontinue such repurchases at any time. See Part II, Item 2, "Unregistered Sales of Equity Securities and Use of Proceeds" of this report for additional information.

Commitments, Contingencies and Liquidity Matters. As described in the 2015 Annual Report, the Company's liquidity may be adversely impacted by a variety of factors, including, but not limited to, obligations associated with fuel hedge settlements and related collateral requirements, pension funding obligations, reserve requirements associated with credit card processing agreements, guarantees, commitments and contingencies.

As of June 30, 2016, United is the guarantor of $43 million of aircraft mortgage debt issued by one of United's regional carriers and is expected to be the guarantor of up to an additional $129 million of aircraft mortgage debt the regional carrier plans to issue in 2016.

See the 2015 Annual Report and Notes 5, 7, 8 and 9 to the financial statements contained in Part I, Item 1 of this report for additional information.

CRITICAL ACCOUNTING POLICIES

See "Critical Accounting Policies" in Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2015 Annual Report for a discussion of the Company's critical accounting policies.

FORWARD-LOOKING INFORMATION

Certain statements throughout Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report are forward-looking and thus reflect our current expectations and beliefs with respect to certain future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to our operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as "expects," "will," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "outlook," "goals" and similar expressions are intended to identify forward-looking statements.

Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this report are based upon information available to us on the date of this report. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law.

Our actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: our ability to comply with the terms of our various financing arrangements; the costs and availability of financing; its ability to maintain adequate liquidity; our ability to execute our operational plans and revenue-generating initiatives, including optimizing its revenue; our ability to control our costs, including realizing benefits from our resource optimization efforts, cost reduction initiatives and fleet replacement programs; our ability to utilize our net operating losses; our ability to attract and retain customers; demand for transportation in the markets in which we operate; an outbreak of a disease that affects travel demand or travel behavior; demand for travel and the impact that global economic conditions have on customer travel patterns; excessive taxation and the inability to offset future taxable income; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aircraft fuel and energy refining capacity in relevant markets); economic and political instability and other risks of doing business globally; its ability to cost-effectively hedge against increases in the price of aircraft fuel; any potential realized or unrealized gains or losses related to fuel or currency hedging programs; the effects of any hostilities, act of war or terrorist attack; the ability of other air carriers with whom we have alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; disruptions to our regional network; the costs and availability of aviation and other insurance; industry consolidation or changes in airline alliances; competitive pressures on pricing and on demand; its capacity decisions and the capacity decisions of our competitors; U.S. or foreign governmental legislation, regulation and other actions (including open skies agreements and environmental regulations); the impact of regulatory, investigative and legal proceedings and legal compliance risks; the impact of any management changes; labor costs; our ability to maintain satisfactory labor relations and the results of the collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; weather conditions; and other risks and uncertainties set forth under Part I, Item 1A., “Risk Factors” of the 2015 Annual Report, as well as other risks and uncertainties set forth from time to time in the reports we file with the U.S. Securities and Exchange Commission (the “SEC”).

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes in market risk from the information provided in Part II, Item 7A. “Quantitative and Qualitative Disclosures About Market Risk” in our 2015 Annual Report except as follows:

Aircraft Fuel. As of June 30, 2016, the Company had hedged approximately 12% of its projected fuel requirements (252 million gallons) for the remainder of 2016 with commonly used financial hedge instruments based on aircraft fuel or crude oil. As of June 30, 2016, the Company had fuel hedges expiring through December 2016.

At June 30, 2016, fuel derivatives were in a net liability position of $7 million. See Note 7 to the financial statements included in Part I, Item 1 of this report for additional information related to fuel hedges.

The fuel derivative portfolio is comprised of many individual derivative contracts (primarily option contracts) on multiple underlying commodities and entered into at various points in time, resulting in a wide range of strike prices with several hedge counterparties. The table below provides a view of the economic impact of the fuel derivative portfolio on the Company’s fuel costs given significant moves (up to +/-30%) in market fuel prices from June 30, 2016 (in millions).

	Period from July 1, 2016 to December 31, 2016		
Change in market fuel prices (a)	(Increase) decrease to unhedged fuel cost (b)	Fuel derivative gain (loss) (c)	Net (increase) decrease to fuel cost
30%	$ (863)	$ 38	$ (825)
20%	(576)	21	(555)
10%	(288)	9	(279)
(10)%	288	(11)	277
(20)%	576	(19)	557
(30)%	863	(23)	840

(a) Projected using equal shifts in spot and forward prices for aircraft fuel and crude oil underlying hedge contracts at June 30, 2016 levels.
(b) Projections based on an average forward price of $1.42 per gallon, excluding taxes and other delivery costs and estimated consumption of 2.0 billion gallons for the six months ending December 31, 2016.
(c) Change in projected cash gain/(loss) on existing fuel derivatives as of June 30, 2016. Includes all fuel derivatives whether or not the fuel derivatives are designated for hedge accounting. Within these price ranges, the Company would neither receive nor post collateral.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Control and Procedures

The Company maintains controls and procedures that are designed to ensure that information required to be disclosed in the reports filed or submitted to the SEC is recorded, processed, summarized and reported, within the time periods specified by the SEC's rules and forms, and is accumulated and communicated to management, including the Chief Executive Officer and acting Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management, including the Chief Executive Officer and acting Chief Financial Officer, performed an evaluation to conclude with reasonable assurance that UAL's and United's disclosure controls and procedures were designed and operating effectively to report the information each company is required to disclose in the reports they file with the SEC on a timely basis. Based on that evaluation, the Chief Executive Officer and the acting Chief Financial Officer of UAL and United have concluded that as of June 30, 2016, disclosure controls and procedures of each of UAL and United were effective.

Changes in Internal Control over Financial Reporting during the Quarter Ended June 30, 2016

During the three months ended June 30, 2016, there were no changes in UAL's or United's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, their internal control over financial reporting (as defined in rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

See Part I, Item 3., “Legal Proceedings” of the 2015 Annual Report for a description of legal proceedings. The disclosure below includes an update to the legal proceedings disclosures included in the 2015 Annual Report, which is in addition to, and not in lieu of, those disclosures contained in the 2015 Annual Report.

As disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 and the 2015 Annual Report, the Company and certain of its current and former executive officers and employees received federal grand jury subpoenas requesting records and testimony related to certain individuals formerly associated with the Port Authority of New York and New Jersey and related operations of the Company. As announced in September 2015, certain of the Company’s executives stepped down in connection with its related internal investigation. The Company cooperated with the investigation by the U.S. Attorney’s Office for the District of New Jersey (the “USAO”) in respect of the Port Authority matter and, as announced on July 14, 2016, the Company reached a resolution in the form of a Non-Prosecution Agreement with the USAO. The Company continues to cooperate with the ongoing and related investigation by the SEC and has participated in discussions with representatives of the SEC.

ITEM 1A. RISK FACTORS.

See Part I, Item 1A., “Risk Factors,” of the 2015 Annual Report for a detailed discussion of the risk factors affecting UAL and United. The disclosures below include updates to certain risk factor disclosures included in the 2015 Annual Report, which are in addition to, and not in lieu of, those disclosures contained in the 2015 Annual Report.

Global economic, political and industry conditions constantly change and unfavorable conditions may have a material adverse effect on the Company’s business and results of operations.

The Company’s business and results of operations are significantly impacted by general economic and industry conditions. The airline industry is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and global economies. The Company is a global business with operations outside of the United States from which it derives significant operating revenues. The Company’s international operations are a vital part of its worldwide airline network. Volatile economic, political and market conditions in these international regions may have a negative impact on the Company’s operating results and its ability to achieve its business objectives.

Robust demand for the Company’s air transportation services depends largely on favorable economic conditions, including the strength of the domestic and foreign economies, low unemployment levels, strong consumer confidence levels and the availability of consumer and business credit. Air transportation is often a discretionary purchase that leisure travelers may limit or eliminate during difficult economic times. In addition, during periods of unfavorable economic conditions, business travelers usually reduce the volume of their travel, either due to cost-saving initiatives or as a result of decreased business activity requiring travel. During such periods, the Company’s business and results of operations may be adversely affected due to significant declines in industry passenger demand, particularly with respect to the Company’s business and premium cabin travelers, and a reduction in fare levels.

Stagnant or weakening global economic conditions either in the United States or in other geographic regions, and any future volatility in U.S. and global financial and credit markets may have a material adverse effect on the Company’s revenues, results of operations and liquidity. If such economic conditions were to disrupt capital markets in the future, the Company may be unable to obtain financing on acceptable terms (or at all) to refinance certain maturing debt and to satisfy future capital commitments.

Recently, United Kingdom (“UK”) voters voted for the UK to exit the European Union (“EU”), a non-binding referendum that, if passed into law, could adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the British pound and European euro, additional travel restrictions on passengers traveling between the UK and other EU countries and legal uncertainty and potentially divergent national laws and regulations. These adverse effects in European market conditions could negatively impact the Company’s business, results of operations, and financial condition.

In addition, significant or volatile changes in exchange rates between the U.S. dollar and other currencies may have a material adverse impact upon the Company’s liquidity, revenues, costs and operating results.

Current or future litigation and regulatory actions, or failure to comply with the terms of our Non-Prosecution Agreement with the USAO, could have a material adverse impact on the Company.

From time to time, we are subject to litigation and other legal and regulatory proceedings relating to our business or investigations or other actions by governmental agencies, including as described in Part I, Item 3 “Legal Proceedings” of the 2015 Annual Report and in Part II, Item 1 “Legal Proceedings” of this report. No assurances can be given that the results of these or new matters will be favorable to us. An adverse resolution of lawsuits, arbitrations, investigations or other proceedings or actions could have a material adverse effect on our financial condition and results of operations, including as a result of non-monetary remedies. Defending ourselves in these matters may be time-consuming, expensive and disruptive to normal business operations and may result in significant expense and a diversion of management’s time and attention from the operation of our business, which could impede our ability to achieve our business objectives. Additionally, any amount that we may be required to pay to satisfy a judgment, settlement, fine or penalty may not be covered by insurance. Under our charter and certain indemnification agreements that we have entered into (and may in the future enter into) with our officers, directors and certain third parties, we could be required to indemnify and advance expenses to them in connection with their involvement in certain actions, suits, investigations and other proceedings. There can be no assurance that any of these payments will not be material.

We entered into a Non-Prosecution Agreement with the USAO on July 14, 2016 in connection with the previously disclosed Port Authority investigation conducted by the USAO. In the event we violate the terms of this Non- Prosecution Agreement during its two year term, we could be subject to criminal prosecution by the USAO. Any such prosecution could have a material adverse effect on the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

(a) None

(b) None

(c) The following table presents repurchases of UAL common stock made in the second quarter of fiscal year 2016:

Period	Total number of shares purchased (a)	Average price paid per share (b)	Total number of shares purchased as part of publicly announced plans or programs (a)	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions) (a)
April 1, 2016 through April 30, 2016	3,139,641	$ 53.38	3,139,641	$ 781
May 1, 2016 through May 31, 2016	5,120,868	45.07	5,120,868	550
June 1, 2016 through June 30, 2016	6,766,143	43.62	6,766,143	255
Total	15,026,652		15,026,652	

(a) In the three and six months ended June 30, 2016, UAL repurchased 15 million and 42 million shares of UAL common stock in open market transactions, respectively, for $694 million and $2.2 billion, respectively. As of June 30, 2016, the Company had $255 million remaining to purchase shares under its 2015 $3 billion share repurchase authorization.

In July 2016, UAL's Board of Directors authorized a new $2 billion share repurchase program to acquire UAL's common stock.

UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws. UAL will repurchase shares of UAL common stock subject to prevailing market conditions, and may discontinue such repurchases at any time.

(b) Average price paid per share is calculated on a settlement basis and excludes commission.

ITEM 6. EXHIBITS.

A list of exhibits included as part of this Form 10-Q is set forth in an Exhibit Index that immediately precedes the exhibits.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

United Continental Holdings, Inc.
(Registrant)

Date: July 19, 2016 By: /s/ Gerald Laderman

Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer
(principal financial officer)

Date: July 19, 2016 By: /s/ Chris Kenny

Chris Kenny
Vice President and Controller
(principal accounting officer)

United Airlines, Inc.
(Registrant)

Date: July 19, 2016 By: /s/ Gerald Laderman

Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer
(principal financial officer)

Date: July 19, 2016 By: /s/ Chris Kenny

Chris Kenny
Vice President and Controller
(principal accounting officer)

EXHIBIT INDEX

Exhibit No.	Registrant	Exhibit
*10.1	UAL	Agreement, dated April 19, 2016, by and among PAR Capital Management, Inc., Altimeter Capital Management, LP, United Continental Holdings, Inc. and the other signatories listed on the signature page thereto (filed as Exhibit 10.1 to UAL's Form 8-K filed April 20, 2016, Commission file number 1-6033, and incorporated herein by reference)
*10.2	UAL United	Amendment to Employment Agreement, dated April 19, 2016, by and among United Continental Holdings, Inc., United Airlines, Inc. and Oscar Munoz. (filed as Exhibit 10.1 to UAL's Form 8-K filed April 20, 2016, Commission file number 1-6033, and incorporated herein by reference)
10.3	UAL United	Performance Award Agreement, dated May 5, 2016, by and among United Continental Holdings, Inc., United Airlines, Inc. and Brett J. Hart
10.4	UAL United	Fourth Amendment to Credit and Guaranty Agreement, dated as of May 24, 2016
^10.5	UAL United	Letter Agreement to Purchase Agreement No. 03860, dated May 5, 2016, between The Boeing Company and United Airlines, Inc.
^10.6	UAL United	Letter Agreement No. 14 to the Airbus A350-900XWB Purchase Agreement, dated May 6, 2016, between Airbus S.A.S. and United Airlines, Inc.
^10.7	UAL United	Supplement Agreement No. 12 to Purchase Agreement No. 03784, dated June 24, 2016, between The Boeing Company and United Airlines, Inc.
12.1	UAL	United Continental Holdings, Inc. and Subsidiary Companies Computation of Ratio of Earnings to Fixed Charges
12.2	United	United Airlines, Inc. and Subsidiary Companies Computation of Ratio of Earnings to Fixed Charges
31.1	UAL	Certification of the Principal Executive Officer of United Continental Holdings, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.2	UAL	Certification of the Principal Financial Officer of United Continental Holdings, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.3	United	Certification of the Principal Executive Officer of United Airlines, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.4	United	Certification of the Principal Financial Officer of United Airlines, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
32.1	UAL	Certification of the Chief Executive Officer and Chief Financial Officer of United Continental Holdings, Inc. Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
32.2	United	Certification of the Chief Executive Officer and Chief Financial Officer of United Airlines, Inc. Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
101.1	UAL United	XBRL Instance Document
101.2	UAL United	XBRL Taxonomy Extension Schema Document
101.3	UAL United	XBRL Taxonomy Extension Calculation Linkbase Document
101.4	UAL United	XBRL Taxonomy Extension Definition Linkbase Document
101.5	UAL United	XBRL Taxonomy Extension Labels Linkbase Document
101.6	UAL United	XBRL Taxonomy Extension Presentation Linkbase Document

* Previously filed.
^ Confidential portion of this exhibit has been omitted and filed separately with the SEC pursuant to a request for confidential treatment.

Exhibit 10.3

PERFORMANCE AWARD AGREEMENT

This Performance Award Agreement (this "Agreement") is entered into as of May 5, 2016, by and among United Continental Holdings, Inc., a Delaware corporation (the "Company"), United Airlines, Inc., a Delaware corporation ("United"), and Brett J. Hart (the "Executive").

WHEREAS, the Executive is currently employed by the Company and United as Executive Vice President and General Counsel; and

WHEREAS, in recognition of the Executive's continued leadership and extraordinary efforts, his importance to the continued success of the Company, and as an inducement for him to remain employed by the Company over the award vesting periods described herein, the Company desires to offer to Executive a cash and equity performance award.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein, the parties hereby agree as follows:

1. Cash Award. Executive shall receive a cash payment equal to $500,000 (the "2016 Performance Payment"), less applicable withholding taxes, to be paid within 30 days of May 5, 2016.

2. Equity Award. Executive shall receive an equity award equal to $1,000,000 (the "2016 Equity Award") of restricted shares of the Company's common stock (the "Restricted Shares"), sized based on the closing price of the Company's common stock on May 5, 2016, the date on which the Compensation Committee of the Board of Directors of the Company (the "Compensation Committee") approved this Agreement and the performance award, and rounded up to the nearest whole share, subject to the Company's standard form of restricted share award notice previously approved by the Compensation Committee, as modified by Section 3 hereof. Subject to the Executive's continued employment through the applicable vesting date (except as set forth in Section 3 below), the Restricted Shares shall vest 50% on January 1, 2017 and 50% on January 1, 2018.

3. Termination of Employment. The unvested portion of the 2016 Equity Award shall be forfeited if Executive terminates from the Company before each of the January 1, 2017 and the January 1, 2018 vest dates for reasons other than Good Reason Termination (as defined in the United Continental Holdings, Inc. Executive Severance Plan (the "Plan")), an Involuntary Termination (as defined in the Plan), death or Disability (as defined Plan). Upon a Good Reason Termination, an Involuntary Termination, death or termination by the Company due to Disability, the unvested portion of the 2016 Equity Award shall vest immediately upon such termination of employment.

4. Tax Withholding. The Company shall deduct from the any amount payable to the Executive pursuant to this Agreement, including pursuant to Section 7 of the restricted share award notice, the amount of all applicable federal, state, local and other taxes as required by law.

5. Successors; Binding Agreement. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the Company and its successors and assigns and the Executive and his or her personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

6. Notices. All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or five days after deposit in the United States mail, postage prepaid, addressed (a) if to the Executive, to the Executive's address as it appears in the records of the Company, and if to the Company, to United Continental Holdings, Inc., attention: Deputy General Counsel & Corporate Secretary, 233 South Wacker Drive, 11th Floor HDQLD, Chicago, IL 60606, or (b) to such other address as either party shall have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

7. Governing Law; Validity. The interpretation, construction and performance of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Illinois without regard to the principle of conflicts of laws.

8. Counterparts. This Agreement may be executed in two counterparts, either of which shall be deemed to be an original and both of which together shall constitute one and the same instrument.

9. Miscellaneous. No provision of this Agreement may be modified or waived unless such modification or waiver is agreed to in writing and executed by the Executive and by the Executive Vice President Human Resources and Labor Relations or the President and Chief Executive Officer of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Failure by the Executive or the Company to insist upon strict compliance with any provision of this Agreement or to assert any right which the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

10. Entire Agreement. This Agreement contains the entire agreement between the Company and the Executive and supersedes any and all previous agreements, written or oral, between the parties relating to these subject matters. In the event of a conflict between the terms and conditions of this Agreement and the terms of the Restricted Share Award Notice, the terms and conditions of this Agreement shall control.

* * * * *

IN WITNESS WHEREOF, the Company and United have caused this Agreement to be executed by their duly authorized officers and the Executive has executed this Agreement as of the day and year first above written.

UNITED CONTINENTAL HOLDINGS, INC.

By: /s/ Michael P. Bonds
Michael P. Bonds
Executive Vice President, Human Resources
& Labor Relations

UNITED AIRLINES, INC.

By: /s/ Michael P. Bonds
Michael P. Bonds
Executive Vice President, Human Resources
& Labor Relations

EXECUTIVE

/s/ Brett J. Hart
Brett J. Hart

Exhibit 10.4

FOURTH AMENDMENT TO CREDIT AND GUARANTY AGREEMENT

FOURTH AMENDMENT TO CREDIT AND GUARANTY AGREEMENT (this "Fourth Amendment"), dated as of May 24, 2016 among UNITED AIRLINES, INC. (formerly known as Continental Airlines, Inc. and as successor by merger to United Air Lines, Inc.), a Delaware corporation (the "Borrower"), UNITED CONTINENTAL HOLDINGS, INC., a Delaware corporation ("UCH"), JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (in such capacity, together with its successors and permitted assigns, the "Administrative Agent"), and as Issuing Lender, and the Consenting Lenders (as defined below). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Loan Agreement referred to below (as amended by this Fourth Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, UCH and certain of its subsidiaries other than the Borrower from time to time, as guarantors, the Lenders and the Administrative Agent are parties to a Credit and Guaranty Agreement dated as of March 27, 2013 (as amended by the First Amendment to Credit and Guaranty Agreement, dated as of March 27, 2014, the Second Amendment to Credit and Guaranty Agreement, dated as of July 25, 2014, and the Third Amendment to Credit and Guaranty Agreement, dated as of September 15, 2014, and as further amended, modified and supplemented and in effect on the date hereof, the "Loan Agreement") comprised of a $1,350,000,000 revolving credit facility and a $1,400,000,000 term loan facility;

WHEREAS, the Borrower has requested (i) to amend certain terms of the Loan Agreement as hereinafter set forth and (ii) that the Lien held by the Administrative Agent for the benefit of the Secured Parties against the Collateral described on Schedule I hereto (collectively, the "Released Collateral") be released in accordance with the terms of this Fourth Amendment;

WHEREAS, the Borrower also desires to execute and deliver Amendment No. 2 to the Slot and Gate Security Agreement (the "Slot and Gate Security Agreement Amendment"), in substantially the form attached as Exhibit A hereto, on the Fourth Amendment Effective Date (as defined below) in order to effect the release of the Released Collateral; and

WHEREAS, the Lenders executing this Amendment on the signature pages hereto (the "Consenting Lenders"), who collectively constitute the Lenders holding more than 50% of the sum of (i) the aggregate principal amount of all Term Loans outstanding and (ii) the Total Revolving Commitments currently in effect, desire to consent to the amendments and releases set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1 – Loan Agreement Amendments. Subject to the satisfaction of the conditions set forth in Section 2 hereof:

(a) Amended Definition. The definition of "Defaulting Lender" in Section 1.01 of the Loan Agreement shall be amended by inserting the words "or a Bail-in Action" after the words "the subject of a Bankruptcy Event."

(b) New Definitions. Section 1.01 of the Loan Agreement shall be amended by adding thereto the following definitions in their appropriate alphabetical order:

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

(c) Section 2.26(d)(ii). Clause (B) in the proviso to Section 2.26(d)(i) of the Loan Agreement shall be amended by inserting the words "subject to Section 10.19," immediately before the words "such reallocation will not".

(d) Section 5.09(a)(8). Section 5.09(a)(8) of the Loan Agreement shall be deleted in its entirety and replaced with the words "[Intentionally Omitted]."

(e) Section 6.04. The first sentence of Section 6.04 of the Loan Agreement shall be amended and restated in its entirety to read as follows:

"Neither a Co-Borrower nor any Grantor shall sell or otherwise Dispose of any Collateral (including, without limitation, by way of any Sale of a Grantor) except that such sale or other Disposition shall be permitted (i) in the case of a Permitted Disposition or (ii) provided that upon consummation of any such sale or other Disposition (A) no Event of Default shall have occurred and be continuing, and (B) the Collateral Coverage Ratio is no less than 1.67 to 1.0 after giving effect to such sale or other Disposition (including any deposit of any Net Proceeds received upon consummation thereof in the Collateral Proceeds Account subject to an Account Control Agreement and any concurrent pledge of Additional Collateral, if any); provided that nothing contained in this Section 6.04 is intended to excuse performance by either Co-Borrower or any Guarantor of any requirement of any Collateral Document that would be applicable to a Disposition permitted hereunder."

(f) Section 6.09(c). Section 6.09(c) of the Loan Agreement shall be amended by deleting the words "and Section 5.09(a)(8)" in the first sentence thereof.

(g) Section 10.02. Section 10.02 of the Loan Agreement shall be amended by adding a new paragraph (h) at the end thereof, as follows:

"(h) Notwithstanding anything herein to the contrary, the parties hereby agree that Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), in its capacity as Syndication Agent and Joint Lead Arranger under this Agreement, may, without notice to a Co-Borrower, assign its rights and obligations as Syndication Agent and Joint Lead Arranger under this Agreement to any other registered broker-dealer wholly-owned by Bank of America Corporation to which all or substantially all of Bank of America Corporation's or any of its subsidiaries' investment banking, commercial lending services or related businesses may be transferred following the date of this Agreement; provided that MLPF&S shall provide prompt notice of any such assignment to the Borrower."

(h) Section 10.19. A new Section 10.19 shall be added to the Loan Agreement, as follows:

"Section 10.19 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority."

SECTION 2 – Conditions to Effectiveness. This Fourth Amendment shall become effective on the date when each of the following conditions specified below shall have been satisfied (the "Fourth Amendment Effective Date"):

(a) Executed Amendment. The Administrative Agent shall have received signed signature pages to this Fourth Amendment from the Borrower, Parent, JPMorgan Chase Bank, N.A. (as Administrative Agent and Issuing Lender) and the Consenting Lenders.

(b) Supporting Documents. The Administrative Agent shall have received in form and substance reasonably satisfactory to the Administrative Agent:

(i) from each of the Borrower and Parent, a certificate of the Secretary of State of the state of Delaware, dated as of a recent date, as to the good standing of that entity and as to the charter documents on file in the office of such Secretary of State;

(ii) from the Borrower and Parent, a certificate of the Secretary or an Assistant Secretary (or similar officer), of such entity dated the Fourth Amendment Effective Date and certifying (A) that attached thereto is a true and complete copy of the certificate of incorporation and the by-laws of that entity as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the board of directors of that entity authorizing the execution, delivery and performance by it of this Fourth Amendment, (C) that the certificate of incorporation of that entity has not been amended since the date of the last amendment thereto indicated on the certificate of the Secretary of State furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer of that entity executing this Fourth Amendment and the Slot and Gate Security Agreement Amendment or any other document delivered by it in connection herewith or therewith (in each case to the extent such entity is a party to such document) (such certificate to contain a certification by another officer of that entity as to the incumbency and signature of the officer signing the certificate referred to in this clause (ii)); and

(iii) from the Borrower and Parent, an Officer's Certificate certifying (A) as to the truth in all material respects of the representations and warranties set forth in Section 3 of this Fourth Amendment as though made by it on the Fourth Amendment Effective Date, except to the extent that any such representation or warranty relates to a specified date, in which case as of such date (provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects as of the applicable date, before and after giving effect to this Fourth Amendment) and (B) as to the absence of any event occurring and continuing, or resulting from the transactions contemplated hereby to occur on the Fourth Amendment Effective Date, that constitutes an Event of Default.

(c) Slot and Gate Security Agreement. The Borrower shall have duly executed and delivered to the Administrative Agent (x) the Slot and Gate Security Agreement Amendment and (y) a Partial Collateral Release Request with respect to the Released Collateral, in substantially the form attached as Exhibit B hereto.

(d) Opinions of Counsel. The Administrative Agent shall have received:

(i) a written opinion of David Olaussen, Managing Counsel – Finance, Fleet & Loyalty, for the Borrower, dated the Fourth Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent; and

(ii) a written opinion of Hughes Hubbard & Reed LLP, special New York counsel to the Borrower and Parent, dated the Fourth Amendment Effective Date, in form and substance reasonably satisfactory to the Administrative Agent.

(e) Payment of Expenses. The Borrower shall have paid all reasonable and documented out-of-pocket expenses of the Administrative Agent (including reasonable attorneys' fees of Milbank, Tweed, Hadley & McCloy LLP) for which invoices have been presented at least one Business Day prior to the Fourth Amendment Effective Date.

(f) Representations and Warranties. All representations and warranties of the Borrower set forth in Section 3 of this Fourth Amendment shall be true and correct in all material respects on and as of the Fourth Amendment Effective Date, before and after giving effect to the transactions contemplated hereby to occur on the Fourth Amendment Effective Date, as though made on and as of such date (except to the extent any such representation or warranty by its terms is made as of a different specified date, in which case as of such specified date); provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the transactions contemplated hereby to occur on the Fourth Amendment Effective Date.

(g) No Event of Default. Before and after giving effect to the transactions contemplated hereby to occur on the Fourth Amendment Effective Date, no Event of Default shall have occurred and be continuing on the Fourth Amendment Effective Date.

The Administrative Agent shall promptly notify the parties hereto and the other Lenders of the occurrence of the Fourth Amendment Effective Date.

SECTION 3 – Representations and Warranties. In order to induce the other parties hereto (excluding the Borrower or Parent, as the case may be) to enter into this Fourth Amendment, each of the Borrower and Parent jointly and severally represents and warrants to each of such other parties that on and as of the date hereof after giving effect to this Fourth Amendment:

(a) no Event of Default has occurred and is continuing or would result from giving effect to the Fourth Amendment; and

(b) the representations and warranties contained in the Loan Agreement and the other Loan Documents (other than the representations and warranties set forth in Sections 3.05(b), 3.06 and 3.09(a) of the Loan Agreement), are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of the date hereof except to the extent that such representations and warranties expressly relate to an earlier date and in such case as of such date; provided that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the Fourth Amendment.

SECTION 4 – Reference to and Effect on the Loan Agreement; Ratification. At and after the effectiveness of this Fourth Amendment, each reference in the Loan Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement, as amended by this Fourth Amendment. The Loan Agreement and each of the other Loan Documents, as specifically amended by this Fourth Amendment, and the obligations of the Borrower and UCH hereunder and thereunder, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. The parties hereto confirm and agree that the guaranty under Section 9 of the Loan Agreement shall continue in full force and effect after giving effect to this Fourth Amendment, and the term "Obligations" as used in the Loan Agreement shall include all obligations of the Borrower under the Loan Agreement, as amended by this Fourth Amendment. This Fourth Amendment shall be deemed to be a "Loan Document" for all purposes of the Loan Agreement and the other Loan Documents. The execution, delivery and effectiveness of this Fourth Amendment shall not, except as expressly provided herein, operate as an amendment or waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute an amendment or waiver of any provision of any of the Loan Documents.

SECTION 5 – Execution in Counterparts. This Fourth Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Fourth Amendment shall become effective as set forth in Section 2, and from and after the Fourth Amendment Effective Date shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted transferees and permitted assigns. Delivery of an executed counterpart of a signature page of this Fourth Amendment by facsimile or electronic .pdf copy shall be effective as delivery of a manually executed counterpart of this Fourth Amendment.

SECTION 6 – Governing Law. THIS FOURTH AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS FOURTH AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be duly executed and delivered as of the day and year above written.

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent, Lender and Issuing Lender

By: /s/ Robert P. Kellas
Name: Robert P. Kellas
Title: Executive Director

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman
Name: Gerald Laderman
Title: Senior Vice President Finance and acting Chief Financial Officer

UNITED CONTINENTAL HOLDINGS, INC.

By: /s/ Gerald Laderman
Name: Gerald Laderman
Title: Senior Vice President Finance and acting Chief Financial Officer

BANK OF AMERICA, N.A.

By: /s/ Christopher Wozniak
Name: Christopher Wozniak
Title: Director

BARCLAYS BANK PLC

By: /s/ Mathew Cybul

Name: Mathew Cybul

Title: Assistant Vice President

BNP PARIBAS

By: /s/ Eric Chilton
Name: Eric Chilton
Title: Managing Director

BNP PARIBAS

By: /s/ Robert Papas
Name: Robert Papas
Title: Director Transportation Group-Aviation Finance

CITIBANK, N.A.

By: /s/ Joseph Shanahan

Name: Joseph Shanahan

Title: Vice President

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK

By: /s/ Brian Bolotin
Name: Brian Bolotin
Title: Managing Director

By: /s/ Elisa Lajonchere
Name: Elisa Lajonchere
Title: Managing Director

CREDIT SUISSE AG CAYMAN ISLANDS BRANCH

By: /s/ Vipul Dhadda
Name: Vipul Dhadda
Title: Authorized Signatory

By: /s/ D. Andrew Maletta
Name: D. Andrew Maletta
Title: Authorized Signatory

DEUTSCHE BANK AG NEW YORK BRANCH

By: /s/ Michael Shannon
Name: Michael Shannon
Title: Vice President

By: /s/ Benjamin Souh
Name: Benjamin Souh
Title: Vice President

GOLDMAN SACHS BANK USA

By: /s/ Jerry Li

Name: Jerry Li

Title: Authorized Signatory

MORGAN STANLEY BANK, N.A.

By: /s/ Emanual Ma

Name: Emanual Ma

Title: Authorized Signatory

EXHIBIT A

[Attached]

AMENDMENT NO. 2 TO PRIORITY LIEN SLOT AND GATE SECURITY AGREEMENT

THIS AMENDMENT NO. 2 TO PRIORITY LIEN SLOT AND GATE SECURITY AGREEMENT, dated as of May 24, 2016 (this "Amendment"), is entered into by and between United Airlines, Inc. (formerly known as Continental Airlines, Inc. and as successor to United Air Lines, Inc.), a Delaware corporation ("United"), and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent") under the Credit Agreement (as defined below). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in or pursuant to the Security Agreement referred to below.

WHEREAS, United and the Administrative Agent are parties to that certain Credit and Guaranty Agreement, dated as of March 27, 2013 (as amended, modified and supplemented and in effect on the date hereof, the "Credit Agreement"), by and among United, United Continental Holdings, Inc. and its other subsidiaries party thereto, as guarantors, the Lenders party thereto, and the Administrative Agent;

WHEREAS, United and Administrative Agent are parties to a Priority Lien Slot and Gate Security Agreement, dated as of March 27, 2013 (as amended, modified and supplemented and in effect on the date hereof, the "Security Agreement"), pursuant to which United has granted to the Administrative Agent a security interest in the Collateral to secure the Obligations; and

WHEREAS, United has requested to amend certain terms of the Security Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendments to the Security Agreement.

(a) Schedule II to the Security Agreement is hereby deleted in its entirety.

(b) Section 4(a)(vi) of the Security Agreement is hereby amended and restated in its entirety to read as follows:

"Set forth on Schedule I is a true, correct and complete list of the Grantors' FAA Slots at LaGuardia Airport and Ronald Reagan Washington National Airport that are included in the Collateral as Pledged Slots as of the Closing Date. The Grantors collectively hold the Pledged Slots pursuant to authority granted by the applicable Governmental Authorities, and there exists no material violation of the terms, conditions or limitations of any rule, regulation or order of the applicable Governmental Authorities regarding such Pledged Slots or any provisions of law applicable to such Pledged Slots that gives any applicable Governmental Authority the right to terminate, cancel, withdraw or modify the rights of the Grantors in any such Pledged Slots."

(c) Section 6(iv)(a) of the Security Agreement is hereby deleted in its entirety and replaced with the words "[Intentionally Omitted]".

(d) The definitions of "Pledged Historical Rights" and "Pledged Slots" contained in Section 15 of the Security Agreement are each hereby amended by deleting the words "Newark Liberty International Airport,".

Section 2. Construction. All references in the Security Agreement to the "Agreement", and in the other Loan Documents to the "Slot and Gate Security Agreement", shall be deemed to refer to the Security Agreement as amended by this Amendment, and the parties hereto confirm their respective obligations under the Security Agreement. Except as otherwise specified in this Amendment, the Security Agreement is hereby ratified by the parties hereto and shall remain in all respects unchanged and in full force and effect.

Section 3. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of New York.

Section 4. Counterparts. This Amendment may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[Remainder of this page is blank.]

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be duly executed by one of its officers thereunto duly authorized, as of the date and year first above written.

UNITED AIRLINES, INC.,

By ____________________________

Name:
Title:

JPMORGAN CHASE BANK, N.A.,

By ____________________________

Name:
Title:

EXHIBIT B

[Attached]

PARTIAL COLLATERAL RELEASE REQUEST

This Partial Collateral Release Request (this "Release") is delivered as of May 24, 2016 by UNITED AIRLINES, INC., ("Borrower") to JPMORGAN CHASE BANK, N.A., as administrative agent (in such capacity, the "Administrative Agent") for the Secured Parties under the Loan Agreement and the Security Agreement, as those terms are hereinafter defined.

1. Reference is made to (i) that certain Credit and Guaranty Agreement, dated as of March 27, 2013, by and among Borrower, United Continental Holdings, Inc. and its other subsidiaries party thereto as guarantors, the several lenders from time to time party thereto (the "Lenders") and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") and (ii) the Priority Lien Slot and Gate Security Agreement, dated as of March 27, 2013, among Borrower, the other grantors from time to time party thereto and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Loan Agreement.

2. Pursuant to Section 14(c)(ii) and Section 14(d) of the Security Agreement, the undersigned Borrower does hereby request that the Administrative Agent release the Lien held by the Administrative Agent for the benefit of the Secured Parties against the Collateral described on Schedule I hereto (collectively, the "Released Collateral"). Borrower hereby represents and warrants to the Administrative Agent that (a) the release of the Released Collateral is permitted under Section 6.09(c) of the Loan Agreement, (b) no Event of Default has occurred and is continuing and (c) the Collateral Coverage Ratio is not less than 1.67 to 1.0 after giving effect to such release. Set forth on Schedule II attached hereto is a calculation demonstrating compliance by the Borrower with clause (c) of the preceding sentence.

3. The Administrative Agent by its signature hereto (i) agrees that the Lien and security interest held by the Administrative Agent for the benefit of the Secured Parties with respect to the Released Collateral is hereby released, that the Released Collateral is hereafter free and clear of any security interest granted pursuant to the Security Agreement or any other Loan Document and that the Released Collateral no longer constitutes Collateral under the Security Agreement, (ii) reassigns all right, title and interest of the Administrative Agent in the Released Collateral to Borrower, (iii) hereby authorizes the Borrower to file the UCC-3 financing statement amendments attached hereto as Exhibit I and (iv) agrees to execute and deliver or file such documents and to perform such other actions as Borrower may reasonably request to release or evidence the release of such Lien and security interest.

4. This Release and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties have caused this Partial Collateral Release Request to be executed and delivered by their respective officers thereunto duly authorized, as of the date first above written.

UNITED AIRLINES, INC.,
as Borrower

By: ______________________________
Name:
Title:

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: ______________________________
Name:
Title:

SCHEDULE I

All of the right, title and interest of Borrower in, to and under all Pledged Slots at Newark Liberty International Airport, together with (i) all Pledged Historical Rights and Pledged Gate Leaseholds relating thereto and (ii) all of the right, title and interest of Borrower in, to and under all Proceeds (as defined in the Slot and Gate Security Agreement) of any and all of the foregoing Collateral (including, without limitation, all Proceeds (of any kind) received or to be received by Borrower upon the transfer or other such disposition of such Collateral notwithstanding whether the pledge and grant of the security interest in such Collateral is legally effective under applicable law).

SCHEDULE II

Calculation Showing Compliance with Collateral Coverage Ratio

[See Attached]

EXHIBIT I

[See Attached]

SCHEDULE I

All of the right, title and interest of the Borrower in, to and under all Pledged Slots at Newark Liberty International Airport, together with (i) all Pledged Historical Rights and Pledged Gate Leaseholds relating thereto and (ii) all of the right, title and interest of Borrower in, to and under all Proceeds (as defined in the Slot and Gate Security Agreement) of any and all of the foregoing Collateral (including, without limitation, all Proceeds (of any kind) received or to be received by Borrower upon the transfer or other such disposition of such Collateral notwithstanding whether the pledge and grant of the security interest in such Collateral is legally effective under applicable law).

CONFIDENTIAL MATERIAL APPEARING IN THIS DOCUMENT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN ACCORDANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 24B-2 PROMULGATED THEREUNDER. OMITTED INFORMATION HAS BEEN REPLACED WITH ASTERISKS.

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

UAL-PA-03860-LA-1503203

United Airlines, Inc.
233 South Wacker Drive
Chicago, Illinois 60606

Subject: Model 787-*** FlightTest Certification Program

References: (1) Aircraft General Terms Agreement between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) identified as AGTA-UAL (**AGTA**); and

(2) Purchase Agreement No. 03860 (**Purchase Agreement**) between Boeing and Customer relating to Model 787 aircraft (**Aircraft**)

Ladies and gentlemen:

This letter agreement (**Letter Agreement**) supplements the Purchase Agreement, and documents the agreement between the parties in connection with Boeing's use of *** 787-*** Aircraft for flight and ground testing required to support the development, testing and certification of the 787-*** aircraft, as more fully described below. All terms used but not defined in this Letter Agreement shall have the same meaning as in the corresponding Purchase Agreement.

Boeing and Customer agree that *** Boeing Model 787-*** Aircraft (*** scheduled to deliver in *** (such delivery *** shown in Column 5 of Figure 1) will be used by Boeing in its flight test program prior to delivery of such Aircraft for obtaining (i) the FAA Type and Airworthiness Certificates for the standard Model 787-*** aircraft, (ii) for any other testing required by the FAA, (iii) for any testing required by the European Aviation Safety Agency (EASA), (iv) for ETOPS program testing and (v) for Boeing developmental tests. The *** UAL Flight Test Aircraft are hereinafter collectively referred to as the **Test Aircraft** and such test programs are hereinafter referred to collectively as the **Test Program**.

The Test Aircraft will be manufactured early, flight tested, refurbished and delivered to Customer in their scheduled delivery months pursuant to Table 1 of the Purchase Agreement. It is hereby agreed that Customer will accept delivery of the Test Aircraft *** thereof on account of the *** resulting from the Test Program subject to the provisions set forth herein. The Test Program for *** specified in Column 2 of the following Figure 1. Note: The *** specified in Columns 3 and 4 of Figure 1 are for purposes only.

Figure 1

Column 1	*Column 2*	*Column 3*	*Column 4*	*Column 5*
Aircraft	***	***	***	**Delivery Month/Year**
***	***	***	***	***
***	***	***	***	***

If, during the Test Program, Boeing determines it will *** specified in Figure 1 for an applicable Test Aircraft, then Boeing agrees to so notify Customer. In such an event, Boeing ***.

1. Test Aircraft Refurbishment.

Boeing will refurbish each Test Aircraft prior to the date of its first Customer demonstration flight under the Purchase Agreement to ensure such Test Aircraft is in compliance with the Detail Specification. ***. Analysis, inspections, and determination of repairs or replacements will be performed to Boeing standards and reasonably acceptable to Customer in accordance with the 787 Inspection Process. *** (if any) shall be subject to discussion between Boeing and Customer so as to determine the most reasonable and practicable ***, and Boeing shall be responsible for *** and reasonably acceptable to Customer in accordance with the 787 Inspection Process. The *** will be in a flight test livery during the Test Program until the ***.

2. Removal of Wiring and Test Instrumentation.

The wiring installation in the Test Aircraft will be the same as in the other Aircraft being purchased by Customer under the Purchase Agreement,

*** permitted by contract and ***. Boeing shall use reasonable best efforts to remove all flight test wiring and instrumentation to the extent practicable *** Test Aircraft under the Purchase Agreement. Boeing will provide Customer with a written report of *** Test Aircraft. *** Test Aircraft systems at delivery to Customer.

3. Change Notice and Service Bulletin Incorporation.

During the refurbishment of the Test Aircraft, Boeing will incorporate all applicable Change Notices (**CN**s) (or otherwise referred to as Production Revision Records (**PRR**s)) and service bulletins which are released by Boeing for incorporation in other Aircraft scheduled for delivery to Customer prior to the scheduled delivery of the Test Aircraft except for any such CNs and/or service bulletins which ***. Boeing will review its plans for incorporation of such CNs and service bulletins with Customer prior to the refurbishment of the Test Aircraft. Any delay in the delivery of the Test Aircraft resulting from the incorporation of such CNs and/or service bulletins shall be *** of the AGTA. If the reason for not incorporating any such CN or service bulletin is the unavailability of retrofit kits, Boeing will ***

4. Engine ***.

, the engines used for the Test Program will *** GEnx-1B engines *** to provide Customer with the GEnx-1B***.

5. Life Limited Parts.

Prior to delivery of the Test Aircraft, Boeing will:

(i) ***; and

(ii) issue to Customer a credit memorandum equal to the *** during the Test Program) of the ***.

If other life limited parts on the Test Aircraft are degraded beyond a reasonable level before delivery of the Test Aircraft to Customer, ***.

6. Aircraft Maintenance.

Boeing will maintain the Test Aircraft to Boeing standards. Boeing will accomplish all required maintenance and inspections consistent with the accumulated hours, cycles and days on the Test Aircraft, prior to their delivery. At time of Test Aircraft delivery, Boeing will provide Customer a maintenance log in Customer's format with one Maintenance Check Completion Status Summary report provided in the delivery package. The Maintenance Review Board Report will be used to set the starting level of Customer's maintenance program at the time of Test Aircraft delivery.

All Maintenance Planning Document (MPD) scheduled maintenance tasks that are driven by calendar time will start at delivery of the Test Aircraft to Customer ***.

7. Warranty.

The terms and conditions of the Product Assurance Document (Exhibit C to the AGTA) will ***. If any Boeing supplier, except the engine manufacturer, refuses to honor any valid warranty claim submitted by Customer *** relating to the Test Program or refurbishment, Boeing will ***.

8. Flight Test BFE Matters.

If BFE provided by the Customer to Boeing for installation on a Test Aircraft is damaged or otherwise requires replacement prior to delivery of such Test Aircraft to Customer, then Boeing *** by Customer to its BFE supplier(s).

9. Other Terms and Conditions.

All terms and conditions relating to the manufacture, sale and purchase of the Aircraft as set forth in the Purchase Agreement will remain in full force and effect for the Test Aircraft, except as supplemented by the provisions set forth herein.

10. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-04308-LA-1404407 of Purchase Agreement No. 04308 between the parties relating to Model 777-*** aircraft entitled "Privileged and Confidential Matters".

Very truly yours,

THE BOEING COMPANY

By /s/ Irma L. Krueger

Its Attorney-In-Fact

AGREED AND ACCEPTED this 5th day of May of 2016

UNITED AIRLINES, INC.

/s/ Ron Baur
Signature

Ron Baur
Printed Name

VP Feet
Title

Exhibit 10.6

CONFIDENTIAL MATERIAL APPEARING IN THIS DOCUMENT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN ACCORDANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 24B-2 PROMULGATED THEREUNDER. OMITTED INFORMATION HAS BEEN REPLACED WITH ASTERISKS.

LETTER AGREEMENT NO. 14

TO THE AIRBUS A350-900XWB PURCHASE AGREEMENT

dated as of March 5, 2010

between

AIRBUS S.A.S.

and

UNITED AIRLINES, INC.

This Letter Agreement No. 14 (hereinafter referred to as the **"Letter Agreement"**) is entered into as of May 6, 2016 by and between AIRBUS S.A.S., a societe par actions simplifiee, organized and existing under the laws of the Republic of France, having its registered office located at 2, Rond Point Maurice Bellonte, 31700 Blagnac (France) (hereinafter referred to as the **"Seller"),** and UNITED AIRLINES, INC., a corporation organized and existing under the laws of the State of Delaware, United States of America, having its principal corporate offices located at 233 South Wacker Drive, Chicago, Dlinois 60606 (hereinafter referred to as the **"Buyer").**

WHEREAS, the Buyer and the Seller have entered into the AIRBUS A350-900XWB Purchase Agreement, dated as of March 5, 2010 (which agreement as previously amended and supplemented with all Exhibits, Appendices and Letter Agreements attached thereto is hereinafter called the **"Agreement"),** and

WHEREAS, the Buyer and the Seller have agreed to set forth in this Letter Agreement certain additional terms and conditions regarding the sale of the Aircraft. Capitalized terms used herein and not otherwise defined in this Letter Agreement will have the meanings assigned thereto in the Agreement. The terms "herein," "hereof" and "hereunder" and words of similar import refer to this Letter Agreement.

Both parties agree that this Letter Agreement will constitute an integral, nonseverable part of said Agreement, that the provisions of said Agreement are hereby incorporated herein by reference, and that this Letter Agreement will be governed by the provisions of said Agreement, except that if the Agreement and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement will govern.

1. ***

***

2. ***

***

3. **Assignment**

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

4. Law and Jurisdiction

This Letter Agreement shall be governed by, and construed in accordance with, the laws of the state of New York and the provisions of Clause 22.6 of the Agreement shall apply to this Letter Agreement.

5. **Confidentiality**

This Letter Agreement (and its existence) shall be treated by both parties as confidential and shall not be released (or revealed) in whole or in part to any third party without the prior consent of the other party. In particular, each party agrees not to make any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto without the prior consent of the other party.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

Agreed and Accepted	Agreed and Accepted
For and on behalf of	For and on behalf of
UNITED AIRLINES, INC.	AIRBUS S.A.S.
By: /s/ Ron Baur	By: /s/ Christopher Mourey
Its: VP Fleet	Its: Senior Vice President Contracts
Date: 5-6-16	Date: 5-6-16

CONFIDENTIAL MATERIAL APPEARING IN THIS DOCUMENT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN ACCORDANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 24B-2 PROMULGATED THEREUNDER. OMITTED INFORMATION HAS BEEN REPLACED WITH ASTERISKS.

Supplemental Agreement No. 12

to

Purchase Agreement Number 03784

Between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 737 Aircraft

THIS SUPPLEMENTAL AGREEMENT is entered into as of June 24, 2016 by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement Number 03784 dated July 12, 2012 (**Purchase Agreement**), as amended and supplemented, relating to the purchase and sale of Boeing Model 737 aircraft (**Aircraft**); and

WHEREAS, Boeing and Customer agree to incorporate performance guarantees for the Firm 737-*** Aircraft; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree to amend the Purchase Agreement as follows:

1. Table of Contents, Tables and Letter Agreements:

1.1 The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-12").

2. Letter Agreement UAL-PA-03784-LA-1601973 entitled "Aircraft Performance Guarantees – Firm 737-*** Aircraft" (identified by "SA-12") is added to the Purchase Agreement.

3. Miscellaneous: Boeing and Customer agree that the provisions of Letter Agreement UAL-PA-03784-LA-1601973 will apply to each of the *** model 737-*** Aircraft added under Supplemental Agreement No. 63 and Supplemental Agreement No. 64 of Purchase Agreement 1951 in addition to the 737-*** covered in Purchase Agreement 03784.

The Purchase Agreement will be deemed to be supplemented to the extent provided herein as of the date hereof and as so supplemented will continue in full force and effect.

****The remainder of this page is left intentionally blank****

EXECUTED IN DUPLICATE as of the day and year first written above.

THE BOEING COMPANY	**UNITED AIRLINES, INC.**
/s/ Chastity Matthews	/s/ Gerald Laderman
Signature	Signature
Chastity Matthews	Gerald Laderman
Printed Name	Printed Name
Attorney-in-Fact	Senior Vice President - Finance and acting Chief Financial Officer
Title	Title

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Supplemental Agreement No. 3	June 27, 2013
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Supplemental Agreement No. 5	March 3, 2014
Supplemental Agreement No. 6	June 6, 2014
Supplemental Agreement No. 7	May 26, 2015
Supplemental Agreement No. 8	June 12, 2015
Supplemental Agreement No. 9	January 20, 2016
Supplemental Agreement No. 10	February 8, 2016
Supplemental Agreement No. 11	March 7, 2016
Supplemental Agreement No. 12	**June 24, 2016**

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

UAL-PA-03784-LA-1601973

United Airlines, Inc.
233 South Wacker Drive
Chicago, Illinois 60606

Subject: Aircraft Performance Guarantees – Firm 737-*** Aircraft

Reference: Purchase Agreement No. PA-03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

Boeing agrees to provide Customer with the performance guarantees in the Attachment. These guarantees are exclusive and expire upon delivery of the Aircraft to Customer.

1. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer becoming the operator of the Aircraft and cannot be assigned in whole or, in part.

2. Confidentiality.

The information contained herein represents confidential business information and has value precisely because it is not available generally or to other parties. Customer will limit the disclosure of its contents to employees of Customer with a need to know the contents for purposes of helping Customer perform its obligations under the Purchase Agreement and who understand they are not to disclose its contents to any other person or entity without the prior written consent of Boeing.

Very truly yours,

THE BOEING COMPANY

By /s/ Chastity Matthews

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: June 24, 2016

UNITED AIRLINES, INC.

By /s/ Gerald Laderman

Its Senior Vice President - Finance and acting Chief Financial Officer

MODEL 737-* WITH WINGLETS PERFORMANCE GUARANTEES**

FOR UNITED AIRLINES, INC.

SECTION	CONTENTS
1	AIRCRAFT MODEL APPLICABILITY
2	FLIGHT PERFORMANCE
3	AIRCRAFT CONFIGURATION
4	GUARANTEE CONDITIONS
5	GUARANTEE COMPLIANCE
6	EXCLUSIVE GUARANTEES

1 AIRCRAFT MODEL APPLICABILITY

The guarantees contained in this Attachment (the "Performance Guarantees") are applicable to the 737-*** Aircraft with winglets and short field performance enhancement option *** and a maximum takeoff weight of *** pounds, a maximum landing weight of *** pounds, and a maximum zero fuel weight of *** pounds, and equipped with Boeing furnished CFM56-7B*** engines.

2 FLIGHT PERFORMANCE

2.1 Mission

2.1.1 Mission Payload

The payload for a stage length of *** nautical miles in still air (equivalent to a distance of *** nautical miles with a *** knot headwind, representative of a *** route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

NOMINAL:	*** Pounds
TOLERANCE:	*** Pounds
GUARANTEE:	*** Pounds

Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for climb, cruise, and descent.

Takeoff: The airport altitude is *** feet.

The airport temperature is ***°C.

The runway length is *** feet.

The runway slope is *** percent uphill.

The following obstacle definition is based on a straight out departure where obstacle height and distance are specified with reference to the liftoff end of the runway:

	Distance	Height
1.	*** feet	*** feet
2.	*** feet	*** feet
3.	*** feet	*** feet

Takeoff performance is based on an alternate forward center of gravity limit of *** percent of the mean aerodynamic chord.

Maximum takeoff thrust is used for the takeoff.

The takeoff gross weight shall conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to *** feet, the Aircraft accelerates to the recommended speed of *** KCAS while climbing to *** feet above the departure airport altitude and retracting flaps and landing gear.

Climb: The Aircraft climbs from *** feet above the departure airport altitude to *** feet altitude at the recommended speed of *** KCAS.

The Aircraft then accelerates at a rate of climb of *** feet per minute to the recommended climb speed for minimum block fuel.

The climb continues at the recommended climb speed for minimum block fuel until *** Mach number is reached.

The climb continues at *** Mach number to the initial cruise altitude.

The temperature is ***°C during climb.

Maximum climb thrust is used during climb.

Cruise: The Aircraft cruises at *** Mach number.

The initial cruise altitude is *** feet.

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A step climb or multiple step climbs of *** feet altitude may be used when beneficial to minimize fuel burn.

The temperature is ***°C during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at *** Mach number until *** KCAS is reached.

The descent continues at *** KCAS to an altitude of *** feet above the destination airport altitude.

Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to *** feet per minute at sea level.

The temperature is ***°C during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.

The destination airport altitude is *** feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

Taxi-Out:

Fuel	***	Pounds
Time	***	Minutes

Takeoff and Climbout Maneuver:

Fuel	***	Pounds
Distance	***	Miles
Time	***	Minutes

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Approach and Landing Maneuver:

Fuel	***	Pounds
Time	***	Minutes

Taxi-In (shall be consumed from the reserve fuel):

Fuel	***	Pounds
Time	***	Minutes

Usable reserve fuel remaining upon completion of the approach and landing maneuver: *** Pounds

For information purposes, the reserve fuel is either the greater of a minimum *** pounds, or is based on a standard day temperature and a) a contingency fuel allowance equivalent to a continued cruise at the LRC Mach number at final cruise altitude and weight for a time equal to *** percent of the mission time from takeoff through the completion of the approach and landing maneuver at the destination airport, b) a missed approach and flight to a *** nautical mile alternate, c) an approach and landing maneuver at the alternate airport, and d) a *** minute hold at *** feet above the alternate airport with an altitude of *** feet.

2.1.2 Mission Payload

The payload for a stage length of *** nautical miles in still air (equivalent to a distance of *** nautical miles with a *** knot headwind, representative of a *** route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

Stage Length:	The stage length is defined as the sum of the distances for climb, cruise, and descent.
Takeoff:	The airport altitude is *** feet.
	The airport temperature is ***°C.
	The runway length is *** feet.
	The stopway is *** feet.
	The following obstacle definition is based on a straight out departure where obstacle height and distance are specified with reference to the liftoff end of the runway:

	Distance	Height
1.	*** feet	*** feet
2.	*** feet	*** feet
3.	*** feet	*** feet
4.	*** feet	*** feet

Takeoff performance is based on an alternate forward center of gravity limit of *** percent of the mean aerodynamic chord.Maximum takeoff thrust is used for the takeoff.

The takeoff gross weight shall conform to FAA Regulations.

Climbout Maneuver:	Following the takeoff to *** feet, the Aircraft accelerates to the recommended speed of *** KCAS while climbing to *** feet above the departure airport altitude and retracting flaps and landing gear.
Climb:	The Aircraft climbs from *** feet above the departure airport altitude to *** feet altitude at the recommended speed of *** KCAS.
	The Aircraft then accelerates at a rate of climb of *** feet per minute to the recommended climb speed for minimum block fuel.

	The climb continues at the recommended climb speed for minimum block fuel until *** Mach number is reached.
	The climb continues at *** Mach number to the initial cruise altitude.
	The temperature is ***°C during climb.
	Maximum climb thrust is used during climb.
Cruise:	The Aircraft cruises at *** Mach number.
	The initial cruise altitude is *** feet.
	A step climb or multiple step climbs of *** feet altitude may be used when beneficial to minimize fuel burn.
	The temperature is ***°C during cruise.
	The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.
Descent:	The Aircraft descends from the final cruise altitude at *** KCAS to an altitude of *** feet above the destination airport altitude.
	Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to *** feet per minute at sea level.
	The temperature is ***°C during descent.
Approach and Landing Maneuver:	The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.
	The destination airport altitude is *** feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

Taxi-Out:

Fuel	***	Pounds
Time	***	Minutes

Takeoff and Climbout Maneuver:

Fuel	***	Pounds
Distance	***	Miles
Time	***	Minutes

Approach and Landing Maneuver:

Fuel	***	Pounds
Time	***	Minutes

Taxi-In (shall be consumed from the reserve fuel):

Fuel	***	Pounds
Time	***	Minutes

Usable reserve fuel remaining upon completion of the approach and landing maneuver: *** Pounds

For information purposes, the reserve fuel is based on a standard day temperature and a) a contingency fuel allowance equivalent to *** minutes of continued cruise starting at the end of the mission cruise and at the LRC Mach number, b) a missed approach and flight to a *** nautical mile alternate, c) an approach and landing maneuver at the alternate airport, and d) a *** minute hold at *** feet above the destination airport.

2.1.3 Mission Payload

The payload for a stage length of *** nautical miles in still air (equivalent to a distance of *** nautical miles with a *** knot headwind, representative of a Mexico City to Newark route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for climb, cruise, and descent.

Takeoff: The airport altitude is *** feet.

The airport temperature is ***°C.

The runway length is *** feet.

The runway slope is *** percent downhill.

Takeoff performance is based on an alternate forward center of gravity limit of *** percent of the mean aerodynamic chord.

Maximum takeoff thrust is used for the takeoff.

The takeoff gross weight shall conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to *** feet, the Aircraft accelerates to the recommended speed of *** KCAS while climbing to *** feet above the departure airport altitude and retracting flaps and landing gear.

Climb: The Aircraft climbs from *** feet above the departure airport altitude to *** feet altitude at the recommended speed of *** KCAS.

	The Aircraft then accelerates at a rate of climb of *** feet per minute to the recommended climb speed for minimum block fuel.
	The climb continues at the recommended climb speed for minimum block fuel until *** Mach number is reached.
	The climb continues at *** Mach number to the initial cruise altitude.
	The temperature is ***°C during climb.
	Maximum climb thrust is used during climb.
Cruise:	The Aircraft cruises at *** Mach number.
	The initial cruise altitude is *** feet.
	A step climb or multiple step climbs of *** feet altitude may be used when beneficial to minimize fuel burn.
	The temperature is ***°C during cruise.
	The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.
Descent:	The Aircraft descends from the final cruise altitude at *** KCAS to an altitude of *** feet above the destination airport altitude.
	Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to *** feet per minute at sea level.
	The temperature is ***°C during descent.
Approach and Landing Maneuver:	The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.
	The destination airport altitude is *** feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

Taxi-Out:

Fuel	***	Pounds
Time	***	Minutes

Takeoff and Climbout Maneuver:

Fuel	***	Pounds
Distance	***	Miles
Time	***	Minutes

Approach and Landing Maneuver:

Fuel	***	Pounds
Time	***	Minutes

Taxi-In (shall be consumed from the reserve fuel):

Fuel	***	Pounds
Time	***	Minutes

Usable reserve fuel remaining upon completion of the approach and landing maneuver: *** Pounds

For information purposes, the reserve fuel is either the greater of a minimum *** pounds, or is based on a standard day temperature and a) a contingency fuel allowance equivalent to a continued cruise at the LRC Mach number at final cruise altitude and weight for a time equal to *** percent of the mission time from takeoff through the completion of the approach and landing maneuver at the destination airport, b) a missed approach and flight to a *** nautical mile alternate, c) an approach and landing maneuver at the alternate airport, and d) a *** minute hold at *** feet above the alternate airport with an altitude of *** feet.

2.1.4 Mission Payload

The payload for a stage length of *** nautical miles in still air (equivalent to a distance of *** nautical miles with a *** knot headwind, representative of a *** route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for climb, cruise, and descent.

Takeoff: The airport altitude is *** feet.

The airport temperature is ***°C.

The runway length is *** feet.

The runway slope is *** percent downhill.

The following obstacle definition is based on a straight out departure where obstacle height and distance are specified with reference to the liftoff end of the runway:

	Distance	Height
1.	*** feet	*** feet
2.	*** feet	*** feet

Takeoff performance is based on an alternate forward center of gravity limit of *** percent of the mean aerodynamic chord.

Maximum takeoff thrust is used for the takeoff.

The takeoff gross weight shall conform to FAA Regulations.

Climbout Maneuver:	Following the takeoff to *** feet, the Aircraft accelerates to the recommended speed of *** KCAS while climbing to *** feet above the departure airport altitude and retracting flaps and landing gear.
Climb:	The Aircraft climbs from *** feet above the departure airport altitude to *** feet altitude at the recommended speed of *** KCAS.
	The Aircraft then accelerates at a rate of climb of *** feet per minute to the recommended climb speed for minimum block fuel.
	The climb continues at the recommended climb speed for minimum block fuel until *** Mach number is reached.
	The climb continues at *** Mach number to the initial cruise altitude.
	The temperature is ***°C during climb.
	Maximum climb thrust is used during climb.
Cruise:	The Aircraft cruises at *** Mach number.
	The initial cruise altitude is *** feet.
	A step climb or multiple step climbs of *** feet altitude may be used when beneficial to minimize fuel burn.
	The temperature is ***°C during cruise.
	The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.
Descent:	The Aircraft descends from the final cruise altitude at *** KCAS to an altitude of *** feet above the destination airport altitude.

Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to *** feet per minute at sea level.

The temperature is ***°C during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.

The destination airport altitude is *** feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

Taxi-Out:

Fuel	***	Pounds
Time	***	Minutes

Takeoff and Climbout Maneuver:

Fuel	***	Pounds
Distance	***	Miles
Time	***	Minutes

Approach and Landing Maneuver:

Fuel	***	Pounds
Time	***	Minutes

Taxi-In (shall be consumed from the reserve fuel):

Fuel	***	Pounds
Time	***	Minutes

Usable reserve fuel remaining upon completion of the approach and landing maneuver: *** Pounds

For information purposes, the reserve fuel is based on a standard day temperature and a) a contingency fuel allowance equivalent to *** minutes of continued cruise starting at the end of the mission cruise and at the LRC Mach number, b) a missed approach and flight to a *** nautical mile alternate, c) an approach and landing maneuver at the alternate airport, and d) a *** minute hold at *** feet above the destination airport.

2.1.5 Mission Block Fuel

The block fuel for a stage length of *** nautical miles in still air with a *** pound payload using the conditions and operating rules defined below, shall not be more than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for climb, cruise, and descent.

Block Fuel: The block fuel is defined as the sum of the fuel used for taxi-out, takeoff and climbout maneuver, climb, cruise, descent, approach and landing maneuver, and taxi-in.

Takeoff: The airport altitude is sea level.

The takeoff gross weight is not limited by the airport conditions.

Takeoff performance is based on an alternate forward center of gravity limit of *** percent of the mean aerodynamic chord.

BOEING PROPRIETARY

	Maximum takeoff thrust is used for the takeoff.
	The takeoff gross weight shall conform to FAA Regulations.
Climbout Maneuver:	Following the takeoff to *** feet, the Aircraft accelerates to the recommended speed of *** KCAS while climbing to *** feet above the departure airport altitude and retracting flaps and landing gear.
Climb:	The Aircraft climbs from *** feet above the departure airport altitude to *** feet altitude at the recommended speed of *** KCAS.
	The Aircraft then accelerates at a rate of climb of *** feet per minute to the recommended climb speed for minimum block fuel.
	The climb continues at the recommended climb speed for minimum block fuel until *** Mach number is reached.
	The climb continues at *** Mach number to the initial cruise altitude.
	The temperature is ***°C during climb.
	Maximum climb thrust is used during climb.
Cruise:	The Aircraft cruises at *** Mach number.
	The initial cruise altitude is *** feet.
	A step climb or multiple step climbs of *** feet altitude may be used when beneficial to minimize fuel burn.
	The temperature is ***°C during cruise.
	The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent:	The Aircraft descends from the final cruise altitude at *** Mach number until *** KCAS is reached. The descent continues at *** KCAS to an altitude of *** feet above the destination airport altitude. Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to *** feet per minute at sea level. The temperature is ***°C during descent.
Approach and Landing Maneuver:	The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands. The destination is a sea level airport.
Fixed Allowances:	For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

Taxi-Out:

Fuel	***	Pounds
Time	***	Minutes

Takeoff and Climbout Maneuver:

Fuel	***	Pounds
Distance	***	Miles
Time	***	Minutes

Approach and Landing Maneuver:

Fuel	***	Pounds
Time	***	Minutes

Taxi-In (shall be consumed from the reserve fuel):

Fuel	***	Pounds
Time	***	Minutes

Usable reserve fuel remaining upon completion of the approach and landing maneuver: *** Pounds

For information purposes, the reserve fuel is based on a standard day temperature and a) a contingency fuel allowance equivalent to *** minutes of continued cruise starting at the end of the mission cruise and at the LRC Mach number, b) a missed approach and flight to a *** nautical mile alternate, c) an approach and landing maneuver at the alternate airport, and d) a *** minute hold at *** feet above the destination airport.

2.1.6 Operational Empty Weight Basis

The Operational Empty Weight (OEW) derived in Paragraph 2.1.7 is the basis for the mission guarantees of Paragraphs 2.1.1, 2.1.2, 2.1.3, 2.1.4, and 2.1.5.

2.1.7 737-* Weight Summary - United Airlines**

	Pounds
Standard Model Specification MEW	***
Configuration Specification ***	
*** Tourist Class Passengers	
*** Engines	
*** lb (*** kg) Maximum Taxi Weight	
*** U.S. Gallons (*** Liters) Fuel Capacity	
***	
***	***
***	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
United Airlines Manufacturer's Empty Weight (MEW)	***
Standard and Operational Items Allowance (Paragraph 2.1.8)	***
United Airlines Operational Empty Weight (OEW)	***

	Quantity	Pounds	Pounds
***			***
***	***	***	

***	***	***		
***	***	***		

2.1.8 Standard and Operational Items Allowance

	Qty	Pounds	Pounds	Pounds
Standard Items Allowance				***
Unusable Fuel			***	
Oil			***	
Oxygen Equipment			***	
Miscellaneous Equipment			***	
Galley Structure & Fixed Inserts			***	
Operational Items Allowance				***
Crew and Crew Baggage			***	
Flight Crew	***	***		
Cabin Crew	***	***		
Crew Baggage	***	***		
Catering Allowance & Removable Inserts			***	
First Class	***	***		
Premium Economy Class	***	***		
Economy Class	***	***		
Passenger Service Equipment	***		***	
Potable Water - *** USG			***	
Waste Tank Disinfectant			***	
Emergency Equipment (Incl. Life Vests & Life Rafts/ELT)			***	
Total Standard and Operational Items Allowance				***

3 AIRCRAFT CONFIGURATION

3.1 The guarantees contained in this Attachment are based on the Aircraft configuration as defined in *** plus any changes mutually agreed upon or otherwise allowed by the Purchase Agreement to be incorporated into the Customer's Detail Specification (herein referred to as the Detail Specification). Appropriate adjustment shall be made for changes in such Detail Specification approved by the Customer and Boeing or otherwise allowed by the Purchase Agreement which cause changes to the flight performance and/or weight and balance of the Aircraft. Such adjustment shall be accounted for by Boeing in its evidence of compliance with the guarantees.

3.2 The guarantee payloads of Paragraph 2.1.1, 2.1.2, 2.1.3, and 2.1.4 and the specified payload of the Paragraph 2.1.5 block fuel guarantee will be adjusted by Boeing for the effect of the following on OEW in its evidence of compliance with the guarantees:

(1) Changes to the Detail Specification or any other changes mutually agreed upon between the Customer and Boeing or otherwise allowed by the Purchase Agreement.

(2) The difference between the component weight allowances given in Appendix E of the Detail Specification and the actual weights.

4 GUARANTEE CONDITIONS

4.1 All guaranteed performance data are based on the International Standard Atmosphere (ISA) and specified variations therefrom; altitudes are pressure altitudes.

4.2 The Federal Aviation Administration (FAA) regulations referred to in this Attachment are, unless otherwise specified, the 737-*** Certification Basis regulations specified in the Type Certificate Data ***.

4.3 In the event a change is made to any law, governmental regulation or requirement, or in the interpretation of any such law, governmental regulation or requirement that affects the certification basis for the Aircraft as described in Paragraph 4.2, and as a result thereof, a change is made to the configuration and/or the performance of the Aircraft in order to obtain certification, the guarantees set forth in this Attachment shall be appropriately modified to reflect any such change.

4.4 The takeoff portion of the mission guarantees are based on hard surface, level and dry runways with no wind or obstacles, no clearway or stopway, *** mph tires, with Category *** brakes and anti-skid operative, *** minute takeoff thrust, and with the Aircraft center of gravity at the most forward limit unless otherwise specified. The takeoff performance is based on no engine bleed for air conditioning or thermal anti-icing and the Auxiliary Power Unit (APU) turned off unless otherwise specified. Unbalanced field length calculations and the improved climb performance procedure will be used for takeoff as required.

4.5 The climb, cruise and descent portions of the mission guarantees include allowances for normal power extraction and engine bleed for normal operation of the air conditioning system. Normal electrical power extraction shall be defined as not less than a *** kilowatts total electrical load. Normal operation of the air conditioning system shall be defined as pack switches in the “Auto” position, the temperature control switches in the “Auto” position that results in a nominal cabin temperature of ***°F, and all air conditioning systems operating normally. This operation allows a maximum cabin pressure differential of *** pounds per square inch at higher altitudes, with a nominal Aircraft cabin ventilation rate of *** cubic feet per minute including passenger cabin recirculation (nominal recirculation is *** percent). The APU is turned off unless otherwise specified.

4.6 The climb, cruise and descent portions of the mission guarantees are based on an Aircraft center of gravity location of *** percent of the mean aerodynamic chord.

4.7 Performance, where applicable, is based on a fuel Lower Heating Value (LHV) of *** BTU per pound and a fuel density of *** pounds per U.S. gallon.

5 GUARANTEE COMPLIANCE

5.1 Compliance with the guarantees of Section 2 shall be based on the conditions specified in those sections, the Aircraft configuration of Section 3 and the guarantee conditions of Section 4.

5.2 Compliance with the takeoff portion of the mission guarantee shall be based on the FAA approved Airplane Flight Manual for the Model 737-***.

5.3 Compliance with the climb, cruise and descent portions of the mission guarantees shall be established by calculations based on flight test data obtained from an aircraft in a configuration similar to that defined by the Detail Specification.

5.4 The OEW used for compliance with the mission guarantees shall be the actual MEW plus the Standard and Operational Items Allowance in Appendix E of the Detail Specification.

5.5 The data derived from tests shall be adjusted as required by conventional methods of correction, interpolation or extrapolation in accordance with established engineering practices to show compliance with these guarantees.

5.6 Compliance shall be based on the performance of the airframe and engines in combination, and shall not be contingent on the engine meeting its manufacturer's performance specification.

6 EXCLUSIVE GUARANTEES

The only performance guarantees applicable to the Aircraft are those set forth in this Attachment.

Exhibit 12.1

United Continental Holdings, Inc. and Subsidiary Companies
Computation of Ratio of Earnings to Fixed Charges

(In millions, except ratios)	Six Months Ended June 30, 2016	2015	2014	2013	2012	2011
Earnings (losses):						
Earnings (loss) before income taxes	$ 1,425	$4,219	$1,128	$ 539	$ (724)	$ 845
Add (deduct):						
Fixed charges, from below	697	1,428	1,648	1,629	1,526	2,017
Amortization of capitalized interest	6	12	12	11	9	7
Distributed earnings of affiliates	—	1	1	—	—	1
Interest capitalized	(28)	(49)	(52)	(49)	(37)	(32)
Equity earnings in affiliates	2	(2)	(1)	(1)	(4)	(6)
Earnings as adjusted	$ 2,102	$5,609	$2,736	$2,129	$ 770	$2,832
Fixed charges:						
Interest expense	$ 316	$ 669	$ 735	$ 783	$ 835	$ 949
Portion of rent expense representative of the interest factor (a)	381	759	913	846	691	1,068
Fixed charges	$ 697	$1,428	$1,648	$1,629	$1,526	$2,017
Ratio of earnings to fixed charges	3.02	3.93	1.66	1.31	(b)	1.40

(a) Imputed interest applied to rent expense.
(b) Earnings were inadequate to cover fixed charges by $756 million in 2012.

Exhibit 12.2

United Airlines, Inc. and Subsidiary Companies
Computation of Ratio of Earnings to Fixed Charges

(In millions, except ratios)	Six Months Ended June 30, 2016	2015	2014	2013	2012	2011
Earnings (losses):						
Earnings (loss) before income taxes	$ 1,426	$4,221	$1,110	$ 637	$ (657)	$ 848
Add (deduct):						
Fixed charges, from below	697	1,429	1,655	1,627	1,514	2,005
Amortization of capitalized interest	6	12	12	11	9	7
Distributed earnings of affiliates	—	1	1	—	—	1
Interest capitalized	(28)	(49)	(52)	(49)	(37)	(32)
Equity earnings in affiliates	2	(2)	(1)	(1)	(4)	(6)
Earnings as adjusted	$ 2,103	$5,612	$2,725	$2,225	$ 825	$2,823
Fixed charges:						
Interest expense	$ 316	$ 670	$ 742	$ 781	$ 823	$ 937
Portion of rent expense representative of the interest factor (a)	381	759	913	846	691	1,068
Fixed charges	$ 697	$1,429	$1,655	$1,627	$1,514	$2,005
Ratio of earnings to fixed charges	3.02	3.93	1.65	1.37	(b)	1.41

(a) Imputed interest applied to rent expense.
(b) Earnings were inadequate to cover fixed charges by $689 million in 2012.

Exhibit 31.1

Certification of the Principal Executive Officer
Pursuant to 15 U.S.C. 78m(a) or 78o(d)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Oscar Munoz, certify that:

(1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2016 of United Continental Holdings, Inc. (the "Company");

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Oscar Munoz
Oscar Munoz
President and Chief Executive Officer

Date: July 19, 2016

Exhibit 31.2

Certification of the Principal Financial Officer
Pursuant to 15 U.S.C. 78m(a) or 78o(d)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gerald Laderman, certify that:

(1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2016 of United Continental Holdings, Inc. (the “Company”);

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and

(5) The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

/s/ Gerald Laderman

Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer

Date: July 19, 2016

Exhibit 31.3

Certification of the Principal Executive Officer
Pursuant to 15 U.S.C. 78m(a) or 78o(d)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Oscar Munoz, certify that:

(1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2016 of United Airlines, Inc. (the "Company");

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Oscar Munoz
Oscar Munoz
President and Chief Executive Officer

Date: July 19, 2016

Exhibit 31.4

Certification of the Principal Financial Officer
Pursuant to 15 U.S.C. 78m(a) or 78o(d)
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gerald Laderman, certify that:

(1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2016 of United Airlines, Inc. (the "Company");

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

(4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

(5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Gerald Laderman
Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer

Date: July 19, 2016

Exhibit 32.1

Certification of United Continental Holdings, Inc.
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

Each undersigned officer certifies that to the best of his knowledge based on a review of the quarterly report on Form 10-Q for the period ended June 30, 2016 of United Continental Holdings, Inc. (the “Report”):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of United Continental Holdings, Inc.

Date: July 19, 2016

/s/ Oscar Munoz
Oscar Munoz
President and Chief Executive Officer

/s/ Gerald Laderman
Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer

Exhibit 32.2

Certification of United Airlines, Inc.
Pursuant to 18 U.S.C. 1350
(Section 906 of the Sarbanes-Oxley Act of 2002)

Each undersigned officer certifies that to the best of his knowledge based on a review of the quarterly report on Form 10-Q for the period ended June 30, 2016 of United Airlines, Inc. (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of United Airlines, Inc.

Date: July 19, 2016

/s/ Oscar Munoz
Oscar Munoz
President and Chief Executive Officer

/s/ Gerald Laderman
Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer