FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1997

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 1-6033

UAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	36-2675207
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1200 East Algonquin Road, Elk Grove Township, Illinois 60007
Mailing Address: P. O. Box 66919, Chicago, Illinois 60666
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (847) 700-4000

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.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 1997
Common Stock ($0.01 par value)	58,782,762

UAL Corporation and Subsidiary Companies Report on Form 10-Q
For the Quarter Ended September 30, 1997

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UAL Corporation and Subsidiary Companies
Condensed Statements of Consolidated Financial Position
(In Millions)

Assets	September 30, 1997 (Unaudited)	December 31, 1996
Current assets:		
Cash and cash equivalents	$ 529	$ 229
Short-term investments	594	468
Receivables, net	1,241	962
Inventories, net	349	369
Deferred income taxes	209	227
Prepaid expenses and other	302	427
	3,224	2,682
Operating property and equipment:		
Owned	13,889	12,325
Accumulated depreciation and amortization	(5,252)	(5,380)
	8,637	6,945
Capital leases	2,199	1,881
Accumulated amortization	(603)	(583)
	1,596	1,298
	10,233	8,243

Other assets:		
Intangibles, net	507	524
Deferred income taxes	139	132
Aircraft lease deposits	271	168
Other	1,012	928
	1,929	1,752
	$ 15,386	$ 12,677

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Condensed Statements of Consolidated Financial Position
(In Millions)

Liabilities and Stockholders' Equity	September 30, 1997 (Unaudited)	December 31, 1996
Current liabilities:		
Long-term debt maturing within one year	$ 303	$ 165
Current obligations under capital leases	166	132
Advance ticket sales	1,447	1,189
Accounts payable	1,066	994
Other	3,007	2,523
	5,989	5,003
Long-term debt	1,436	1,661
Long-term obligations under capital leases	1,640	1,325
Other liabilities and deferred credits:		
Deferred pension liability	165	178
Postretirement benefit liability	1,340	1,290
Deferred gains	1,101	1,151
Other	913	776
	3,519	3,395
Company-obligated mandatorily redeemable preferred securities of a subsidiary trust	102	102
Equity put warrants	61	-
Minority interest	-	31
Preferred stock committed to Supplemental ESOP	293	165
Stockholders' equity:		
Preferred stock	-	-
Common stock at par	1	1
Additional capital invested	2,799	2,160
Retained earnings (deficit)	305	(566)
Unearned ESOP preferred stock	(282)	(202)
Other	(477)	(398)

	2,346	995
Commitments and contingent liabilities (See note)		
	$ 15,386	$ 12,677

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Statements of Consolidated Operations (Unaudited)
(In Millions, Except Per Share)

	Three Months Ended September 30 1997	1996
Operating revenues:		
Passenger	$ 4,147	$ 4,003
Cargo	225	191
Other	268	294
	4,640	4,488
Operating expenses:		
Salaries and related costs	1,264	1,171
ESOP compensation expense	256	157
Aircraft fuel	510	538
Commissions	409	397
Purchased services	329	303
Aircraft rent	235	236
Landing fees and other rent	202	205
Depreciation and amortization	182	217
Aircraft maintenance	153	106
Other	537	548
	4,077	3,878
Earnings from operations	563	610
Other income (expense):		
Interest expense	(73)	(71)
Interest capitalized	25	18
Interest income	13	10
Equity in earnings of affiliates	17	16
Gain on sale of partnership interest	275	-
Gain on sale of affiliate's stock	103	-
Miscellaneous, net	(10)	(28)
	350	(55)
Earnings before income taxes, distributions on preferred securities and extraordinary item	913	555
Provision for income taxes	333	208
Earnings before distributions on preferred securities and extraordinary item	580	347
Distributions on preferred securities, net of tax	(1)	-
Extraordinary loss on early extinguishment of debt, net of tax	-	(7)
Net earnings	$ 579	$ 340

Earnings per share:		
Earnings before extraordinary item	$ 5.61	$ 3.85
Extraordinary loss on early extinguishment of debt, net of tax	-	(0.08)
Net earnings	$ 5.61	$ 3.77

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Statements of Consolidated Operations (Unaudited)
(In Millions, Except Per Share)

	Nine Months Ended September 30	
	1997	1996
Operating revenues:		
Passenger	$ 11,628	$ 10,975
Cargo	634	558
Other	881	853
	13,143	12,386
Operating expenses:		
Salaries and related costs	3,732	3,513
ESOP compensation expense	666	488
Aircraft fuel	1,559	1,504
Commissions	1,159	1,108
Purchased services	946	876
Aircraft rent	707	716
Landing fees and other rent	644	624
Depreciation and amortization	533	588
Aircraft maintenance	447	336
Other	1,582	1,563
	11,975	11,316
Earnings from operations	1,168	1,070
Other income (expense):		
Interest expense	(213)	(230)
Interest capitalized	75	57
Interest income	36	40
Equity in earnings of affiliates	64	53
Gain on sale of partnership interest	275	-
Gain on sale of affiliate's stock	103	-
Miscellaneous, net	(36)	(53)
	304	(133)
Earnings before income taxes, distributions on preferred securities and extraordinary item	1,472	937
Provision for income taxes	542	357
Earnings before distributions on preferred securities and extraordinary item	930	580
Distributions on preferred securities, net of tax	(4)	-
Extraordinary loss on early extinguishment of debt, net of tax	-	(66)
Net earnings	$ 926	$ 514
Per share, primary:		
Earnings before extraordinary item	$ 9.01	$ 6.37
Extraordinary loss on early		

extinguishment of debt, net of tax	-	(0.82)
Net earnings	$ 9.01	$ 5.55
Per share, fully diluted:		
Earnings before extraordinary item	$ 9.01	$ 6.20
Extraordinary loss on early extinguishment of debt, net of tax	-	(0.80)
Net earnings	$ 9.01	$ 5.40

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Condensed Statements of Consolidated Cash Flows (Unaudited)
(In Millions)

	Nine Months Ended September 30 1997	1996
Cash and cash equivalents at beginning of period	$ 229	$ 194
Cash flows from operating activities	2,397	1,964
Cash flows from investing activities:		
Additions to property and equipment	(2,170)	(1,101)
Proceeds on disposition of property and equipment	41	20
Proceeds on disposition of ATS Partnership interest	539	-
Decrease (increase) in short-term investments	(126)	486
Other, net	(20)	(21)
	(1,736)	(616)
Cash flows from financing activities:		
Repayment of long-term debt	(95)	(674)
Conversion of subordinated debentures	-	(324)
Principal payments under capital lease obligations	(116)	(92)
Repurchase of common stock	(54)	-
Dividends paid	(8)	(18)
Other, net	(88)	(190)
	(361)	(1,298)
Increase (decrease) in cash and cash equivalents	300	50
Cash and cash equivalents at end of period	$ 529	$ 244
Cash paid during the period for:		
Interest (net of amounts capitalized)	$ 118	$ 190
Income taxes	$ 219	$ 181
Non-cash transactions:		
Capital lease obligations incurred	$ 477	$ 497
Long-term debt incurred in connection with additions to equipment	$ -	$ 77
Increase in equity in connection with the conversion of subordinated debentures to common stock	$ -	$ 217

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Notes to Consolidated Financial Statements (Unaudited)

The Company

UAL Corporation ("UAL" or the "Company") is a holding company whose principal subsidiary is United Air Lines, Inc. ("United").

Interim Financial Statements

The consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to or as permitted by such rules and regulations, although UAL believes that the disclosures are adequate to make the information presented not misleading. In management's opinion, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the results of operations for the three and nine month periods have been made. These financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in UAL's Annual Report on Form 10-K for the year 1996.

Accounting Policies - Derivative Financial Instruments

Foreign Currency

From time to time, United enters into Japanese yen forward exchange contracts to minimize gains and losses on the revaluation of short-term yen-denominated liabilities. The yen forwards typically have a 30-day maturity and are marked to fair value at the end of each accounting period. The unrealized mark-to-market gains and losses generally offset the losses and gains recorded on the liabilities.

United has also entered into forwards and swaps to reduce exposure to currency fluctuations on yen-denominated capital lease obligations. The forwards' and swaps' cash flows mirror those of the capital leases. The premiums on the forwards and swaps, as measured at inception, are being amortized over their respective lives as components of interest expense. Any gains or losses realized upon the early termination of these forwards and swaps are deferred and recognized in income over the remaining life of the underlying exposure.

Finally, the Company has begun to hedge the risks of exchange rate volatility on its anticipated future net yen cash flows by purchasing yen put options with little or no intrinsic value. The amount and duration of these options are synchronized with specific expected yen inflows, and thus, the put options have been designated as a hedge. The Company also sells yen call options from time to time. The premiums on yen option contracts are amortized over the lives of the contracts. Unrealized gains on purchased put option contracts are deferred until contract expiration and then recognized as a component of passenger revenue, and unrealized losses on written call options are recorded in "Miscellaneous, net" at the end of each accounting period.

Interest Rates

United has entered into swaps to reduce exposure to interest rate fluctuations in connection with certain debt, capital leases and operating leases. The swaps' cash flows mirror those of the underlying exposures. The premiums on the swaps, as measured at inception, are being amortized over their respective lives as components of interest expense. Any gains or losses realized upon the early termination of these swaps are deferred and recognized in income over the remaining life of the underlying exposure.

Aircraft Fuel

United uses a collar option strategy to hedge a portion of its price risk related to future aircraft fuel purchases. The collars, which have been designated a hedge, involve the purchase of fuel call options with the simultaneous sale of fuel put options with identical expiration dates. Premiums on fuel collar option contracts are deferred and amortized over the life of the contract. Gains or losses recognized upon contract expiration are recorded as a component of aircraft fuel expense. In addition, to a limited extent, United trades short-term heating oil futures contracts. Unrealized losses on these contracts are recorded currently in income while unrealized gains are deferred until contract expiration. Both gains and losses are recorded as a component of aircraft fuel expense.

Employee Stock Ownership Plans

Pursuant to amended labor agreements which provide for wage and benefit reductions and work-rule changes which commenced July 1994, UAL has agreed to issue convertible preferred stock to employees. Note 2 of the Notes to Consolidated Financial Statements in the 1996 Annual Report on Form 10-K contains additional discussion of the agreements, stock to be issued to employees and the related accounting treatment. Shares earned in 1996 were allocated in March 1997 as follows: 190,307 shares of Class 2 ESOP Preferred Stock were contributed to the Non-Leveraged ESOP and an additional 537,917 shares were allocated in "book entry" form under the Supplemental Plan. Additionally, 2,345,745 shares of Class 1 ESOP Preferred Stock were allocated under the Leveraged ESOP. Finally, an additional 2,305,479 shares of Class 1 and Class 2 ESOP Preferred Stock have been committed to be released by the Company since January 1, 1997.

In August 1997, UAL sold 1,848,629 shares of Class 1 ESOP Preferred Stock to the ESOP Trustee; this was the fourth of seven such sales.

Other Income (Expense) - Miscellaneous

"Miscellaneous, net" consisted of the following:

	Third Quarter 1997	Third Quarter 1996	Nine-month Period 1997	Nine-month Period 1996
Foreign exchange losses	$ (5)	$ (2)	$ (15)	$ (9)
Minority interests	(1)	(6)	(15)	(18)
Travel agency litigation settlement	-	(20)	-	(20)
Other	(4)	-	(6)	(6)
	$ (10)	$ (28)	$ (36)	$ (53)

Income Taxes

The provisions for income taxes are based on the estimated annual effective tax rate, which differs from the federal statutory rate of 35% principally due to state income taxes, dividends on ESOP Preferred Stock and certain nondeductible expenses. Deferred tax assets are recognized based upon UAL's history of operating earnings and expectations for future taxable income.

Per Share Amounts

During the nine-month period ended September 30, 1996, UAL repurchased 2,553 shares of its Series B preferred stock at an aggregate cost of $84 million to be held in treasury. These transactions had no effect on earnings; however, the difference between the fair value of the consideration given and the carrying value of the preferred stock acquired is included in the computation of earnings per share.

Per share amounts were calculated after providing for dividends on preferred stock, including ESOP convertible preferred stock, of $19 million in the 1997 third quarter, $15 million in the 1996 third quarter, $57 million in the 1997 nine-month period and $47 million in the 1996 nine-month period. Primary per share amounts for all periods were based on weighted average common shares and common equivalents outstanding, including ESOP shares committed to be released. In addition, fully diluted per share amounts assume the conversion of convertible debentures (for periods not actually converted) and elimination of related interest.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which established standards for computing and reporting earnings per share. SFAS No. 128 is effective for periods ending after December 15, 1997; earlier application is not permitted. Restatement of all prior-period earnings per share data is required. On a pro forma basis, 1997 earnings per share would be as follows:

	Three Months Ended	Nine Months Ended
Basic Earnings Per Share	9.39	14.66
Diluted Earnings Per Share	5.61	9.01

Prepayment of Long-Term Obligations

On March 7, 1997, Air Wis Services, Inc. ("Air Wis"), a wholly owned subsidiary of UAL, issued a notice of redemption for all of its outstanding 7 3/4% convertible subordinated debentures, due 2010. On April 8, $16 million of debentures outstanding were redeemed at 100% of the principal amount plus accrued interest.

During the nine months ended September 30, 1996, UAL repaid prior to maturity $535 million in principal amount of various debt securities, resulting in an extraordinary loss of $66 million, after a tax benefit of $40 million. Of this amount, $63 million was repaid during the third quarter, resulting in a $7 million extraordinary loss, net of tax benefits of $4 million. The securities were scheduled for repayment periodically through 2021.

Related Party Transactions

In July 1997, United completed the sale of its 77% general partnership interest in the Apollo Travel Services Partnership to Galileo International, Inc. See "Sale of Affiliate" in Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Stock Repurchases

During the third quarter, UAL's Board of Directors authorized the purchase of up to $250 million of the Company's common stock using a portion of the proceeds from the sale of the Apollo Travel Services Partnership. Through October 31, 1997, 1,271,000 shares had been repurchased and returned to treasury at a total cost of $108 million.

Equity Put Warrants

In connection with the Company's stock repurchase program, UAL sold 750,000 equity put warrants at various strike prices during the third quarter. The put warrants entitle the holders to sell shares of UAL common stock to the Company at specified prices. The warrants have strike prices ranging from $76.53 to $84.21, expire at various dates through December 1, 1997 and are exercisable only at maturity. The maximum potential repurchase obligation of $61 million has been reclassified from stockholders' equity to equity put warrants at September 30.

Contingencies and Commitments

UAL has certain contingencies resulting from litigation and claims (including environmental issues) incident to the ordinary course of business. Management believes, after considering a number of factors, including (but not limited to) the views of legal counsel, the nature of contingencies to which UAL is subject and its prior experience, that the ultimate disposition of these contingencies is not expected to materially affect UAL's consolidated financial position or results of operations.

At September 30, 1997, commitments for the purchase of property and equipment, principally aircraft, approximated $5.7 billion, after deducting advance payments. An estimated $0.8 billion will be spent during the remainder of 1997, $2.4 billion in 1998, $1.3 billion in 1999, and $1.2 billion in 2000 and thereafter. The major commitments are for the purchase of B777, B747, B767, B757, A319 and A320 aircraft, which are scheduled to be delivered through 2002.

During October 1997, The Boeing Company ("Boeing") notified United that production problems would delay aircraft scheduled to be delivered between fourth quarter 1997 and mid-1999. Specifically, deliveries on nine B747s, two B757s and four B767s scheduled for delivery from the fourth quarter of 1997 through mid-1999 will be delayed from one to two months. United expects to receive compensation from Boeing and also expects to make schedule adjustments and take other possible actions to offset the effects of the delays. As a result, the Company expects the impact of the announced delivery delays to be minimal.

United's contract with the Association of Flight Attendants ("AFA") became amendable March 1, 1996. On October 1, 1997, the AFA ratified a new contract. The agreement, which will remain in effect through 2006, includes provisions for increased wages and benefits as well as work rule changes designed to help the Company achieve its customer satisfaction objectives.

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

LIQUIDITY AND CAPITAL RESOURCES

UAL's total of cash and cash equivalents and short-term investments was $1.123 billion at September 30, 1997, compared to $697 million at December 31, 1996. Cash flows from operating activities for the nine-month period amounted to $2.397 billion. Financing activities included principal payments under debt and capital lease obligations of $95 million and $116 million, respectively, as well as $54 million for common stock repurchases.

In the first nine months of 1997, United took delivery of four A320, eleven B777, five B747 and two A319 aircraft. Eighteen of these aircraft were purchased and four were acquired under capital leases. Additionally, United acquired two B767 and one DC10-10 off-lease during the first nine months of 1997. Property additions, including aircraft spare parts, facilities and ground equipment, amounted to $2.170 billion, while property dispositions resulted in proceeds of $41 million.

The Company's sale of its interest in the Apollo Travel Services Partnership ("ATS") in July 1997 provided $539 million in cash proceeds (see "Sale of Affiliate"). During the third quarter, UAL's Board of Directors authorized the purchase of up to $250 million of the Company's common stock using a portion of the proceeds. As of October 31, 1997, 1,271,000 shares of common stock had been repurchased at a total purchase price of $108 million.

At September 30, 1997, commitments for the purchase of property and equipment, principally aircraft, approximated $5.7 billion, after deducting advance payments. An estimated $0.8 billion will be spent during the remainder of 1997, $2.4 billion in 1998, $1.3 billion in 1999, and $1.2 billion in 2000 and thereafter. The major commitments are for the purchase of B777, B747, B767, B757, A319 and A320 aircraft, which are scheduled to be delivered through 2002.

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In April 1997, Standard & Poor's raised its credit rating on United's senior unsecured debt to BB+ from BB and raised its credit rating on UAL's Series B preferred stock and redeemable preferred securities to BB- from B+. Moody's Investors Service Inc.'s ratings on United's senior unsecured debt remains Baa3 and its ratings on UAL's Series B preferred stock and redeemable preferred securities remains Ba3.

RESULTS OF OPERATIONS

UAL's results of operations for interim periods are not necessarily indicative of those for an entire year, as a result of seasonal factors to which United is subject. First and fourth quarter results are normally affected by reduced travel demand in the fall and winter and United's operations, particularly at its Chicago and Denver hubs and at certain east coast cities, are adversely affected by winter weather on occasion.

The results of operations in the airline business historically fluctuate significantly in response to general economic conditions. This is because small fluctuations in yield (passenger revenue per revenue passenger mile) and cost per available seat mile can have a significant effect on operating results. UAL anticipates industrywide fare levels, increasing low-cost competition, general economic conditions, fluctuation of foreign currency exchange rates, fuel costs, U.S. and international governmental policies and other factors will continue to affect its operating results.

During the third quarter of 1997, a new law was enacted to replace the Federal passenger excise tax which expired September 30, 1997. The new legislation includes a gradual reduction in the 10% airline ticket tax to 7.5% by the year 2002, a phasing in of a $3 "head tax" per domestic flight segment, an increase in round-trip international departure and arrival taxes from $6 to $24 per passenger and a tax on the purchase of frequent flyer miles. The Company expects that the new legislation will increase United's annual tax burden by approximately $80 million, but is unable to determine how much of this increase it will be able to pass on to its customers.

During the third quarter of 1997, United implemented changes to its travel agency commission payment plan, which lowered the base commission paid to travel agents from 10% to 8% on all tickets purchased in the U.S. and Canada for both domestic and international travel. Commissions on domestic tickets will be a maximum of $25 one-way ($50 round-trip). This action is expected to save approximately $100 million annually in commission costs.

Summary of Results

UAL's earnings from operations were $1,168 million in the first nine months of 1997, compared to operating earnings of $1,070 million in the first nine months of 1996. UAL's net earnings were $926 million ($9.01 per share, primary and fully diluted), compared to net earnings of $514 million ($5.55 per share, primary; $5.40 per share, fully diluted) during the same period in 1996. The 1997 nine-month period includes an after-tax gain on the ATS/Galileo transaction (see "Sale of Affiliate") of $235 million ($2.43 per share, primary and fully diluted). The 1996 nine-month period includes an extraordinary loss of $66 million ($0.82 per share, primary; $0.80 per share, fully diluted) on early extinguishment of debt.

In the third quarter of 1997, UAL's earnings from operations were $563 million compared to operating earnings of $610 million in the third quarter of 1996. UAL had net earnings in the 1997 third quarter of $579 million ($5.61 per share), compared to net earnings of $340 million in the same period of 1996 ($3.77 per share). The 1997 third quarter results include the after-tax gain on the ATS/Galileo transaction of $235 million ($2.35 per share, primary and fully diluted). The 1996 third quarter results include an extraordinary loss of $7 million ($0.08 per share) on early extinguishment of debt.

The 1996 per share amounts for the nine-month period also include the effects on equity of the repurchase of Series B preferred stock. See "Per Share Amounts" in the notes to consolidated financial statements.

Management believes that a more complete understanding of UAL's results can be gained by viewing them on a pro forma, "fully distributed" basis. This presentation considers all ESOP shares which will ultimately be distributed to employees throughout the ESOP (rather than just the shares committed to be released) to be immediately outstanding and thus fully distributed. Consistent with this presentation, the ESOP compensation expense is excluded from fully distributed net earnings and ESOP convertible preferred stock dividends are not deducted from earnings attributable to common stockholders. Also, no adjustments are made to fully distributed earnings to reflect future salary increases. A comparison of results reported on a fully distributed basis to results reported under generally accepted accounting principles (GAAP) is as follows:

	Three Months Ended September 30, 1997		Three Months Ended September 30, 1996	
	GAAP (fully diluted)	Fully Distributed	GAAP (fully diluted)	Fully Distributed
Net Income	$ 579	$ 734	$ 340	$ 437
Per Share:				
Earnings before				

gain on sale and extraordinary loss	$ 3.26	$ 3.75	$ 3.85	$ 3.34
Gain on ATS/Galileo transaction, net	2.35	1.77	-	-
Extraordinary loss, net of tax	-	-	(0.08)	(0.05)
	$ 5.61	$ 5.52	$ 3.77	$ 3.29

	Nine Months Ended September 30, 1997 GAAP (fully diluted)	Fully Distributed	Nine Months Ended September 30, 1996 GAAP (fully diluted)	Fully Distributed
Net Income	$ 926	$ 1,325	$ 514	$ 819
Per Share:				
Earnings before preferred stock transactions, gain on sale and extraordinary loss	$ 6.58	$ 8.19	$ 6.45	$ 6.64
Gain on ATS/Galileo transaction, net	2.43	1.77	-	-
Preferred stock transactions	-	-	(0.25)	(0.16)
Extraordinary loss, net of tax	-	-	(0.80)	(0.50)
	$ 9.01	$ 9.96	$ 5.40	$ 5.98

Specific factors affecting UAL's consolidated operations for the third quarter and first nine months of 1997 are described below.

Third Quarter 1997 Compared with Third Quarter 1996

Operating revenues increased $152 million (3%). United's revenue per available seat mile decreased 1% to 10.43 cents. Passenger revenues increased $144 million (4%) on a 4% increase in revenue passenger miles in spite of a 1% decrease in yield to 12.33 cents. The following analysis by market is based on information reported to the U.S. Department of Transportation:

Domestic revenue passenger miles increased 2%, while domestic yield decreased 3% from the year before as a result of the reimposition of the Federal passenger excise tax for the entire 1997 third quarter. In the Pacific, revenue passenger miles remained unchanged; however, yield increased 3% from the same period last year, largely due to a stronger Japanese yen versus the dollar. Atlantic revenue passenger miles increased 27% with a 4% increase in yield over the same period last year due to a continued larger proportion of high-yield traffic. Latin America revenue passenger miles remained unchanged over the same period last year, with a 7% increase in yield, due to a strengthening Latin economy. Available seat miles increased 4% systemwide, reflecting increases of 25% in the Atlantic, 2% on Domestic routes and 2% in the Pacific. The system passenger load factor decreased 0.1 point to 75.3%.

Cargo revenues increased $34 million (18%) due to increases in both freight and mail revenues. Freight ton miles increased 28% due to the increase in aircraft assigned to the dedicated freighter operation and the introduction of long-range B777-200B aircraft, principally in the Atlantic market. Mail ton miles increased 9%. However, a 6% lower freight yield was only partially offset by a 3% increase in mail yield. Other operating revenues decreased $26 million (8%) since ATS revenues are no longer consolidated after the sale of ATS in July.

Operating expenses increased $199 million (5%) and United's cost per available seat mile increased 2%, from 9.06 cents to 9.20 cents, including ESOP compensation expense. Without the ESOP compensation expense, United's cost per available seat mile would have decreased 1%, from 8.69 cents to 8.62. ESOP compensation expense increased $99 million (63%), reflecting the increase in the estimated average fair value of ESOP preferred stock committed to be released to employees as a result of UAL's higher common stock price. Salaries and related costs increased $93 million (8%) primarily due to mid-term wage adjustments that took effect July 1. Aircraft maintenance increased $47 million (44%) due to increased purchased maintenance, as well as the timing of maintenance cycles. Purchased services increased $26 million (9%) due principally to volume-related increases in computer reservations fees, credit card discounts and communication charges. Depreciation and amortization expense decreased $35 million (16%) despite the acquisition of new aircraft, largely due to a $30 million charge in the 1996 third quarter to reduce the carrying value of aircraft seats being replaced, as well as lower depreciation on DC10-10 aircraft which are scheduled for retirement. Fuel expense decreased $28 million (5%) due to an 8% decrease in the average price per gallon of fuel to 65.3 cents.

Other income (expense) amounted to $350 million in income for the third quarter of 1997 compared to $55 million in expense for the third quarter of 1996. Interest capitalized, primarily on aircraft advance payments, increased $7 million (39%). Included in "Miscellaneous, net" in the 1997 third quarter were foreign exchange losses of $5 million compared to foreign exchange losses of $2 million in the 1996 third quarter. In addition, the third quarter of 1997 included a $275 million gain on the sale of ATS and a $103 million gain on the sale of Galileo International, Inc. stock. The third quarter of 1996 included a $20 million charge for the settlement of litigation related to the travel agency commission cap implemented by the Company in February 1995.

Nine Months 1997 Compared with Nine Months 1996

Operating revenues increased $757 million (6%). United's revenue per available seat mile increased 2% to 10.35 cents. Passenger revenue increased $653 million (6%), due principally to a 4% increase in revenue passenger miles and a 2% increase in yield to 12.56 cents. The following analysis by market is based on information reported to the U.S. Department of Transportation:

Domestic revenue passenger miles increased 3% while domestic yield remained unchanged. In the Pacific, revenue passenger miles increased 1% with a 3% increase in yield from the same period last year, largely due to a stronger Japanese yen versus the dollar. Latin America revenue passenger miles increased 3% over the same period last year, with an 11% increase in yield as a result of a strengthening Latin economy. Atlantic revenue passenger miles increased 20%, while yield increased 4% due to a larger proportion of high-yield traffic and an improved fare environment. Available seat miles increased 4% systemwide, reflecting increases of 19% in the Atlantic, 3% on Domestic routes and 3% in the Pacific. The system passenger load factor increased 0.1 point to 72.6%.

Cargo revenues increased $76 million (14%) on increases of 23% in freight ton miles and 6% in mail ton miles, as a result of a new dedicated freighter operation and the introduction of long-range B777-200B aircraft. A 7% decrease in freight yield was partially offset by a 3% increase in mail yield. Other operating revenues increased $28 million (3%) due to increases in Mileage Plus partner-related revenues and contract maintenance and fuel sales to third parties, which were partially offset by the decrease in ATS revenues after the sale of ATS in July.

Operating expenses increased $659 million (6%) and United's cost per available seat mile increased 2%, from 9.25 to

9.45 cents, including ESOP compensation expense. Without the ESOP compensation expense, United's 1997 nine-month cost per available seat mile would have been 8.93 cents, an increase of 1% from 1996. ESOP compensation expense increased $178 million (36%), reflecting the increase in the estimated average fair value of ESOP stock committed to be released to employees as a result of UAL's higher common stock price. Salaries and related costs increased $219 million (6%) as a result of increased staffing in certain customer-oriented positions, as well as mid-term wage adjustments which took effect July 1. Aircraft maintenance increased $111 million (33%) due to increased purchased maintenance as well as the timing of maintenance cycles. Aircraft fuel increased $55 million (4%) due to a 3% increase in consumption and a 1% increase in the average price per gallon of fuel to 70.1 cents. Purchased services increased $70 million (8%) due principally to volume-related increases in computer reservations fees, credit card discounts and communication charges. Depreciation and amortization decreased $55 million (9%) despite the acquisition of new aircraft, due to lower depreciation on DC10-10 aircraft which are scheduled for retirement, a gain on the sale of one B747-SP aircraft and a $30 million charge in 1996 to reduce the carrying value of aircraft seats being replaced. Aircraft rent decreased $9 million (1%) due to a decrease in the number of aircraft on operating leases.

Other income (expense) amounted to $304 million in income for the first nine months of 1997 compared to $133 million in expense for the first nine months of 1996. Interest capitalized, primarily on aircraft advance payments, increased $18 million (32%). Interest expense decreased $17 million (7%) due to the prepayment of long-term debt in 1996. Equity in earnings of affiliates increased $11 million (21%) due to higher Galileo International, Inc. ("Galileo") earnings resulting from increased booking revenues. In addition, the 1997 period included a $275 million gain on the sale of ATS and a $103 million gain on the sale of Galileo stock. The 1996 period included a $20 million charge for the settlement of litigation related to the travel agency commission cap implemented by the Company in February 1995.

SALE OF AFFILIATE
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In July 1997, United completed the sale of its interest in the Apollo Travel Services Partnership ("ATS"), a 77% owned affiliate whose accounts were consolidated, to Galileo International, Inc. ("Galileo"), heretofore a 38% owned affiliate accounted for under the equity method, for $539 million in cash. This transaction resulted in a pre-tax gain of approximately $405 million. Of this amount, $275 million was recognized during the third quarter and the balance will be recognized over the next 25 years, the estimated remaining life of the assets acquired by Galileo.

Galileo raised a portion of the proceeds used to purchase ATS through the completion of an initial public offering of 16,799,700 shares of its common stock, representing 16.0% of its economic interest, at $24.50 per share for net proceeds of approximately $390 million. This transaction resulted in a reduction of the Company's ownership in Galileo from 38% to 32%. In accordance with the Company's policy of recognizing gains or losses on the sale of a subsidiary's stock based on the difference between the offering price and the Company's carrying amount of such stock, the Company recognized a pre-tax gain of $103 million during the third quarter. Pursuant to Statement of Financial Accounting Standards No. 109, the Company also recorded $40 million of deferred taxes related to this gain.

In connection with the sale, United entered into an additional services agreement under which the Company will provide certain marketing and other services designed to increase the competitiveness of Galileo's business and to generate additional bookings and revenues for Galileo. Under this agreement, United could receive up to $154 million (on a present value basis) in the sixth year following the sale, based on specified improvements in air booking revenues over a five-year period.

United continues to account for Galileo under the equity method and will continue to purchase computer reservations services under its existing services agreement with Galileo.

LABOR AGREEMENTS AND WAGE ADJUSTMENTS

Both the Air Line Pilots Association, International ("ALPA") and the International Association of Machinists and Aerospace Workers ("IAM") ratified previously announced mid-term wage adjustments. Included in the agreements were a 5% increase to wage rates for each union group in July 1997 and a second 5% increase in July 1998. Further, the agreement with ALPA calls for a corresponding 5% increase in both 1997 and 1998 to "book rates" (book rates are used to compute certain other employee benefits), and the agreement with the IAM provided for lump sum payments for all IAM employees and increases in hourly license premium and skill pay for mechanics. These agreements also provide for restoration of wage rates for the two groups in the year 2000 to levels that existed prior to the recapitalization in July 1994, as well as restoration of the Company's contribution to the pilots' defined contribution plan from its current rate of 1% to its pre-ESOP rate of 9% in the year 2000.

In March 1997, the Company also announced the details of mid-term wage adjustments for non-union United States salaried and management employees. Salaried employees received a 5% base salary increase in July 1997, as well as a lump-sum payment. They will also receive a 5% increase in July 1998. In addition, salaried employees hired on or after February 1, 1994 will receive two additional annual 3.5% pay increases. Management employees received a 4% increase in July 1997 and will receive an additional 4% increase in July 1998, and management employees not participating in the Company's Incentive Compensation Plan will participate in a three-year profit-sharing plan that could pay an additional amount in 1998, 1999 and 2000, if the Company meets specific pre-tax earnings objectives in 1997, 1998 and 1999, respectively. Depending on financial results, the maximum profit sharing payout is 3.75% of annual wages.

On October 1, 1997, the Association of Flight Attendants ("AFA") ratified a previously announced agreement on a new contract which will remain in effect through March 1, 2006. Included in the contract are lump sum payments of 7% in December 1997, 4% in December 1998 and December 1999, and 5% in 2001, 2003 and 2005; as well as minimum 2% wage increases in 2000, 2002 and 2004. Additionally, the contract includes a series of arbitrations beginning in 2001 which can award additional compensation increases, subject to meeting Vision 2000 goals as discussed below. The agreement also provides for benefits and work rule changes and a number of service quality and productivity enhancements designed to help the Company achieve its customer satisfaction objectives.

The wage, benefit and work-rule adjustments outlined above are consistent with the Company's objective, known as Vision 2000, to put employee compensation costs on a competitive level with peer group compensation elsewhere in the industry at the conclusion of the agreements outlined above. The ultimate cost to the Company of Vision 2000, particularly given that peer group compensation is subject to change between now and the conclusion of the agreements, is not determinable. However, the Company expects the aggregate after-tax cost of the wage and benefit adjustments outlined above to be approximately $100 million in 1997. Further, as a result of these changes, the Company expects that its annual Salaries and related costs will increase at a faster rate than its major competitors from now through the year 2000.

TENTATIVE AGREEMENT WITH ALPA ON REGIONAL JETS

During September 1997, United and ALPA reached a tentative agreement on the issue of regional jets that allows air carriers operating under the United Express program to purchase and fly those jets (with restrictions) and provides job security for United's pilots. The agreement is subject to ratification by ALPA's pilots and the result of the vote is scheduled to be released on November 18.

OUTLOOK FOR 1997

Fourth quarter 1997 available seat miles are expected to grow 4% year over year, with a nearly 7% increase in international markets and 2% in domestic capacity. Year over year traffic growth is expected to be at 3%. With a modest increase in yield, system revenue per available seat mile is expected to increase 2% from last year's fourth quarter. Fourth quarter unit costs excluding the ESOP compensation expense are expected to decrease slightly from last year, assuming a lower average fuel price for the fourth quarter from last year.

Assuming a lower average fuel price for the fourth quarter, and a continuing positive airline industry and general economic environment for the fourth quarter, the Company expects fourth quarter 1997 "fully distributed" earnings per share to exceed last year's fourth quarter earnings per share and full year "fully distributed" earnings per share to exceed those for 1996 (see "Results of Operations, Summary of Results" for further explanation of this pro forma methodology).

The information included in the previous paragraphs is forward-looking and involves risks and uncertainties that could result in actual results differing materially from expected results. It is not reasonably possible to itemize all of the many factors and specific events that could affect the outlook of an airline operating in the global economy. Some factors that could significantly impact expected capacity, load factors, revenues, unit revenues, unit costs and earnings per share include the airline pricing environment, the effect of the U.S. excise tax on travel, fuel prices, low-fare carrier expansion, the timing of aircraft deliveries by manufacturers, the success of the Company's cost reduction efforts, the cost of safety and security measures, actions of the U.S., foreign and local governments, foreign currency exchange rate fluctuations, the price of UAL common stock, the timing of the Company's common stock repurchase program, inflation, the economic environment of the airline industry, the general economic environment, and other factors discussed herein.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

GEC-Marconi Claim. -- As reported in the Form 10-Q filing for UAL Corporation ("UAL") for the quarter ended June 30, 1997, United Air Lines, Inc. ("United") filed suit on April 4, 1996 in the Circuit Court of Cook County, Illinois, Law Division, against GEC-Marconi Inflight Systems Overseas, Ltd. ("GMIS"), its Boeing 777 inseat video vendor, claiming breach of contract for GMIS's failure to deliver the contracted product in the specified time frame, and seeking monetary and injunctive relief. United also named in the suit GEC-Marconi Inflight Systems, Inc. ("GMIS, Inc."), its 777 video maintenance provider, seeking declaratory relief on the maintenance contract.

On July 19, 1996 GMIS and GMIS, Inc. filed a counterclaim against United seeking in excess of $240 million for various alleged breaches of contract by United, plus consequential damages and attorney's fees and costs, relating to the same product purchase agreement (which, in addition, included a Boeing 747 and 767 retrofit order that United terminated on April 4, 1996) and maintenance service agreement which form the basis of United's complaint, as well as an alleged June 1996 "agreement" that had been the subject of negotiations between the parties, but was never signed by United regarding interim arrangements between the parties. GMIS and GMIS, Inc. also sought injunctive relief to enforce the alleged "agreement" and prevent United from obtaining substitute goods from other vendors.

On December 23, 1996, United filed an amended complaint, and GMIS filed an amended counterclaim on December 31, 1996. The parties exchanged preliminary discovery documents. Each party subsequently filed a motion to dismiss the respective amended complaint and counterclaim. The court heard oral arguments on both motions to dismiss.

On May 12, 1997, GMIS and GMIS, Inc. filed suit in the U.S. District Court for the Northern District of Illinois against United claiming copyright infringement, misappropriation of trade secrets and unfair competition as a result of United's alleged unlawful copying of certain cable drawings which it then provided to a cable manufacturer. The complaint sought injunctive relief (including the return of any proprietary information), actual, exemplary and punitive damages and attorneys fees. The parties then engaged in comprehensive settlement negotiations.

On September 2, 1997, the parties to the state action and the federal action entered into a comprehensive settlement agreement, resulting in the dismissal of both the state and federal actions, and a release of all claims against the parties to the action. The lawsuits have been terminated.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

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

(b) Form 8-K dated July 21, 1997 to report a cautionary statement for purposes of the "Safe Harbor for Forward-Looking Statements" provision of the Private Securities Litigation Reform Act of 1995.

Form 8-K dated September 18, 1997 to report a press release in which United Air Lines, Inc., the principal subsidiary of registrant, announced changes to travel agent commission structure.

Form 8-K dated October 28, 1997 to report a cautionary statement for purposes of the "Safe Harbor for Forward-Looking Statements" provision of the Private Securities Litigation Reform Act of 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UAL CORPORATION

By: /s/ Douglas A. Hacker

Douglas A. Hacker
Senior Vice President and
Chief Financial Officer
(principal financial and
accounting officer)

Dated: November 6, 1997

Exhibit Index

Exhibit No.	Description
10.1	UAL Corporation 1995 Directors Plan, as amended June 26, 1997.
10.2	UAL Corporation Incentive Compensation Plan, as amended September 18, 1997.
10.3	Sixth Amendment to UAL Corporation Employee Stock Ownership Plan, as amended August 11, 1997.
10.4	Sixth Amendment to UAL Corporation Supplemental ESOP, as amended August 11, 1997.
10.5	Employment Agreement between UAL Corporation, United Air Lines, Inc. and Joseph R. O'Gorman.
11	Calculation of Fully Diluted Net Earnings Per Share.
12.1	Computation of Ratio of Earnings to Fixed Charges.
12.2	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements.
27	Financial Data Schedule.

Exhibit 10.1

UAL CORPORATION 1995 DIRECTORS PLAN

as amended June 26, 1997

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UAL CORPORATION
1995 DIRECTORS PLAN

SECTION 1

General

1.1. Purpose, History and Effective Date. UAL Corporation (the "Company") maintains the UAL Corporation 1992 Stock Plan for Outside Directors (the "Prior Plan") which provides certain benefits to non-employee directors of the Company. In order to (i) encourage stock ownership by directors to further align their interests with those of the stockholders of the Company, while at the same time providing flexibility for directors who, due to their individual circumstances, may be unable to take stock in lieu of cash compensation, and (ii) add certain deferral features for fees and stock awards and other items of cash compensation as determined by the Board of Directors, the Company has authorized a variety of compensation alternatives, including those set forth in the Prior Plan, that will be available to Outside Directors under a new plan to be known as the UAL Corporation 1995 Directors Plan (the "Plan"). The Plan and any and all amendments thereto shall be effective immediately upon the respective approval thereof by the Board of Directors, except that subsections 1.4, 1.5, 1.7, 1.8, 2.1, 3.1, 3.2 and 3.4 and all references to Stock Awards, Stock Deferrals and the Company Stock Subaccount shall be effective on July 3, 1995 (the "Effective Date"). Upon the Effective Date the Prior Plan shall be terminated (with prior stock deferrals thereunder being treated as deferrals under subsection 4.2 of the Plan).

1.2. Participation. Only Outside Directors shall be eligible to participate in the Plan. As of any applicable date, an "Outside Director" is a person who is serving as a director of the Company who is not an employee of the Company or any subsidiary of the Company as of that date.

1.3. Administration. The authority to manage and control the operation and administration of the Plan shall be vested in the Executive Committee of the Board (the "Committee"). Subject to the limitations of the Plan, the Committee shall have the sole and complete authority to:

(a) interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan;

(b) correct any defect or omission and to reconcile any inconsistency in the Plan or in any payment made hereunder; and

(c) to make all other determinations and to take all other actions necessary or advisable for the implementation and administration of the Plan.

The Committee's determinations on matters within its control shall be conclusive and binding on the Company and all other persons. Notwithstanding the foregoing, no member of the Committee shall act with respect to the administration of the Plan except to the extent consistent with the exempt status of the Plan under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 16b-3").

1.4. Shares Subject to the Plan. Shares of stock which may be distributed under the plan are shares of common stock of the Company, par value $.01 per share ("Stock"). The shares of Stock which shall be available for distribution pursuant to the Plan shall be treasury shares (including, in the discretion of the Company, shares purchased in the open market). The number of shares of Stock to be distributed pursuant to Outside Directors' elections to receive shares of Stock in lieu of Eligible Cash Fees (as described in subsection 3.1) shall be determined in accordance with Section 3. The number of shares of Stock to be distributed pursuant to awards of Deferred Stock Units (as described in subsection 2.2) shall be determined in accordance with subsection 2.2. The number of shares of Stock to be distributed pursuant to Outside Directors' Deferral Elections (as described in Section 4) shall be determined in accordance with Section 4. The number of shares of Stock which are available for awards under subsection 2.1 shall be 78,800 (1); provided, however, that:

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(1) Reflects adjustment to shares issuable under the Plan after giving effect to the stock split in the form of a 300% stock dividend effective as of that date and the issuance of 300 shares prior to that date.

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(a) in the event of any merger, consolidation, reorganization, recapitalization, spinoff, stock split, reverse stock split, rights offering, exchange or other change in the corporate structure or capitalization of the Company affecting the Stock, the number and kind of shares of Stock available for awards under Section 2 and the annual awards of Stock and Deferred Stock Units provided thereunder shall be equitably adjusted in such manner as the Committee shall determine in its sole judgment;

(b) in determining what adjustment, if any, is appropriate pursuant to paragraph (a), the Committee may rely on the advice of such experts as they deem appropriate, including counsel, investment bankers and the accountants of the Company; and

(c) no fractional shares shall be granted or authorized pursuant to any adjustment pursuant to paragraph (a), although cash payments may be authorized in lieu of fractional shares that may otherwise result from such an equitable adjustment.

1.5. Compliance with Applicable Laws. Notwithstanding any other provision of the Plan, the Company shall have no obligation to deliver any shares of Stock under the Plan unless such delivery would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity. Prior to the delivery of any shares of Stock under the Plan, the Company may require a written statement that the recipient is acquiring the shares for investment and not for the purpose or with the intention of distributing the shares. If the redistribution of shares is restricted pursuant to this subsection 1.5, the certificates representing such shares may bear a legend referring to such restrictions.

1.6. Director and Shareholder Status. The Plan will not give any person the right to continue as a director of the Company, or any right or claim to any benefits under the Plan unless such right or claim has specifically accrued under the terms of the Plan. Participation in the Plan shall not create any rights in a director (or any other person) as a shareholder of the Company until shares of Stock are registered in the name of the director (or such other person).

1.7. Definition of Fair Market Value. The "Fair Market Value" of a share of Stock on any date shall be equal to the average of the high and low prices of a share of Stock reported for New York Stock Exchange Composite Transactions for the applicable date or, if there are no such reported trades for such date, for the last previous date for which trades were reported.

1.8. Source of Payments. Except for Stock actually delivered pursuant to the Plan, the Plan constitutes only an unfunded, unsecured promise of the Company to make payments or awards to directors (or other persons) or deliver Stock in the future in accordance with the terms of the Plan.

1.9. Nonassignment. Neither a director's nor any other person's rights to payments or awards under the Plan are subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the director.

1.10. Elections. Any notice or document required to be filed with the Committee under the Plan will be properly filed if delivered or mailed by registered mail, postage prepaid, to the Committee, in care of the Company, at the Company's principal executive offices. The Committee may, by advance written notice to affected persons, revise such notice procedure from time to time. Any notice required under the Plan may be waived by the person entitled thereto.

SECTION 2

Awards

2.1. Formula Stock Awards. As of the first business day of January each year after the Effective Date each Outside Director shall be awarded 400 (2) shares of Stock ("Stock Award").

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(2) Reflects adjustment to the 100 shares originally authorized after giving effect to the stock split in the form of a 300% stock dividend effective as of May 6, 1996.

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2.2. Deferred Stock Units.

(a) As of December 31, 1997, and each December 31st thereafter, each person who was an Outside Director at any time during the calendar year ended that date shall be awarded a fixed number of deferred stock units (each such unit representing the right to receive a share of Stock at a future date) ("Deferred Stock Units") equal to the sum of (i) 139 (i.e., the result obtained by dividing $8,500 by the average Fair Market Value of a share of Stock for the twenty consecutive trading days ending December 31, 1996, and rounding to the nearest whole number), and (ii) the result obtained by dividing $2,200 by the average Fair Market Value of a share of Stock for the twenty consecutive trading days ending December 31, 1997, and rounding to the nearest whole number.

(b) Beginning December 31, 1998, and on each December 31 thereafter, the amount of Deferred Stock Units awarded pursuant to the preceding paragraph (a) shall be increased by the number of Deferred Stock Units determined pursuant to clause (ii) of the preceding paragraph (a).

Notwithstanding the foregoing, the number of Deferred Stock Units awarded to an Outside Director who is not an Outside Director for the entire calendar year shall be prorated based on the number of whole calendar months he or she was an Outside Director during such calendar year.

SECTION 3

Receipt of Stock in Lieu of Eligible Cash Fees

3.1. Election to Receive Stock. Subject to the terms and conditions of the Plan, including subsection 3.3, each Outside Director may elect to forego receipt of all or any portion of the Eligible Cash Fees (as defined below) payable to him or her during 1995 following the Effective Date (or payable during 1995 prior to the Effective Date and subject to a Deferral Election made in accordance with Section 4) and during any calendar year thereafter and instead to receive whole shares of Stock of equivalent value to the Eligible Cash Fees so foregone (determined in accordance with subsection 3.4). An election under this subsection 3.1 to have Eligible Cash Fees paid in shares of Stock shall be valid only if it is in writing, signed by the Outside Director, and filed with the Committee in accordance with uniform and nondiscriminatory rules adopted by the Committee but, in any event:

(a) at least six months prior to any date in 1995 following the Effective Date or, except as provided in subsection 3.3 below, subsequent years in which such Eligible Cash Fees would otherwise be payable; and

(b) prior to January 1, 1995 with respect to any amounts payable during 1995 prior to the Effective Date and deferred pursuant to a Deferral Election made in accordance with Section 4.

For purposes of the Plan, the term "Eligible Cash Fees" means the retainer fees, meeting fees, committee fees, committee chair fees, and any other items of cash compensation as designated by the Board of Directors that would otherwise be payable to the Outside Director by the Company in cash as established, from time to time, by the Board or any committee thereof, including without limitation, the amounts credited to an Outside Director's Deferred Compensation Account (as hereinafter defined) pursuant to resolutions (the "Retirement Plan Resolutions") adopted by the Board on September 26, 1996 in respect of the cessation of benefit accruals under the UAL Corporation Retirement Plan for Outside Directors (the "Retirement Plan").

3.2. Revocation of Election to Receive Stock. Once effective, an election pursuant to subsection 3.1 to receive Stock shall remain in effect for successive calendar years until it is revised or revoked. Any such revision or revocation shall be in writing, signed by the Outside Director and filed with the Committee and shall be effective, as to Eligible Cash Fees payable for services rendered during the calendar year next following the date on which it is received by the Committee, or such later date specified in such notice; provided, however, that no revision or revocation shall be effective, as to any Eligible Cash Fees otherwise receivable, prior to six months from the date it is made.

3.3. Election Pursuant to Retirement Plan Resolutions. If no election to have Eligible Cash Fees which have been credited to an Outside Director's Deferred Compensation Account pursuant to the Retirement Plan Resolutions deferred in the form of cash is received on or before December 1, 1996, such Outside Director shall automatically be deemed to have elected to have such fees deferred in the form of Stock.

3.4. Equivalent Amount of Stock.

(a) The number of whole shares of Stock to be distributed to any Outside Director, or credited to his or her Deferred Compensation Account (as defined in subsection 4.3) pursuant to a Deferral Election made in accordance with Section 4, by reason of his or her election pursuant to subsection 3.1 to receive Stock in lieu of Eligible Cash Fees or pursuant to subsection 3.3 shall be equal to:

(i) the amount of the Eligible Cash Fees which the Outside Director has elected to have paid to him or her in shares of Stock or credited to his or her Company Stock Subaccount (as defined in subsection 4.3);

DIVIDED BY

(ii) (A) the Fair Market Value of a share of Stock as of the date on which such Eligible Cash Fees would otherwise have been payable to the Outside Director or (B) in the case of Eligible Cash Fees credited pursuant to the Retirement Plan Resolutions, the average Fair Market Value of a share of Stock for the twenty consecutive trading days ending December 31, 1996.

(b) The Fair Market Value of any fractional share shall be paid to the Outside Director in cash; provided, however, that fractional shares subject to a Deferral Election filed in accordance with subsection 4.1 shall be deferred and credited to the Company Stock Subaccount.

SECTION 4

Deferral Elections

4.1. Deferrals of Fees.

(a) General. Subject to the terms and conditions of the Plan, each Outside Director, by filing a written "Deferral Election" with the Committee in accordance with uniform and nondiscriminatory rules adopted by the Committee, may elect to defer the receipt of all or any portion of the Eligible Cash Fees otherwise payable to him or her for a calendar year commencing on or after January 1, 1995 (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) until a future date (the "Distribution Date") specified by the Outside Director in his or her Deferral Election as of which payment of his or her Deferred Compensation Account attributable to amounts deferred pursuant to his or her Deferral Election shall commence in accordance with subsection 4.4; provided, however, that in no event shall the Distribution Date elected pursuant to this subsection 4.1(a) be different from the Distribution Date, if any, elected by the Outside Director pursuant to subsection 4.2. If no Distribution Date is specified in an Outside Director's Deferral Election or has otherwise been elected by the Outside Director pursuant to subsection 4.2, the Distribution Date shall be deemed to be the first business day in January of the year following the date on which the Outside Director ceases to be a director of the Company for any reason. An Outside Director's Deferral Election shall be effective with respect to Eligible Cash Fees (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) otherwise payable to him or her for services rendered after the last day of the calendar year in which such election is filed with the Committee; provided, however, that except as provided in subsection 4.1(b):

(i) a Deferral Election which is filed within 30 days of the date on which a director first becomes an Outside Director shall be effective with respect to all Eligible Cash Fees (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) otherwise payable to him or her after the date of the Deferral Election; and

(ii) by notice filed with the Committee in accordance with uniform and nondiscriminatory rules established by it, a director may terminate or modify any Deferral Election as to Eligible Cash Fees payable for services rendered after the last day of the calendar year in which such notice is filed with the Committee; provided, however, that no modification may be made to the Distribution Date unless the Outside Director shall file such notice with the Committee at least one year prior thereto.

Notwithstanding the provisions of paragraph (ii) next above, the Committee may, in its sole discretion, after considering all of the pertinent facts and circumstances, approve a change to the Distribution Date which is requested by an Outside Director less than one year prior thereto.

(b) Deferral of Eligible Cash Fees Credited Pursuant to Retirement Plan Resolutions and Section 2.2.

A Deferral Election shall be deemed to have been made and be effective automatically without the requirement of a written Deferral Election for the Eligible Cash Fees credited to the Plan pursuant to (i) the Retirement Plan Resolutions, the deferral of which is mandatory pursuant to the terms of such resolutions, and (ii) Section 2.2, the deferral of which is mandatory. The Distribution Date for such deferrals shall not be different than the Distribution Date selected pursuant to subsections 4.1(a) and 4.2; provided that in no event shall the Distribution Date for such Eligible Cash Fees be earlier than the first business day in January of the year following the date on which the Outside Director ceases to be a director of the Company for any reason. In no event shall the Distribution Date pursuant to this subsection 4.1(b) be different from the Distribution Date for Deferred Stock Units pursuant to subsection 4.2.

4.2. Deferral of Stock Awards and Deferred Stock Units. Subject to the terms and conditions of the Plan, each Outside Director, by filing a written "Stock Deferral Election" with the Committee in accordance with uniform and nondiscriminatory rules adopted by the Committee, may elect to defer the receipt of all or any portion of the Stock Award which is otherwise to be made to him or her for 1996 and subsequent years until the Distribution Date; provided, however, that if no Distribution Date has been elected (or is deemed to have been elected) pursuant to subsection 4.1, the "Distribution Date" shall be the date specified by the Outside Director in his or her Stock Deferral Election or, if no such date is specified, the first business day in January of the year following the date on which the Outside Director ceases to be a director of the Company for any reason. An Outside Director's Stock Deferral Election shall be effective with respect to Stock Awards otherwise to be made to him or her pursuant to subsection 2.1 after the last day of the calendar year in which such election is filed with the Committee; provided, however, that by notice filed with the Committee in accordance with uniform and nondiscriminatory rules established by it, an Outside Director may terminate or modify any Stock Deferral Election as to Stock Awards to be made after the last day of the calendar year in which such notice is filed with the Committee. No modification may be made to the Distribution Date unless the Outside Director shall file such notice with the Committee at least one year prior thereto. Notwithstanding the provisions of this section, the Committee may, in its sole discretion, after considering all of the pertinent facts and circumstances, approve a change to the Distribution Date which is requested by an Outside Director less than one year prior thereto. The Distribution Date for Deferred Stock Units awarded pursuant to subsection 2.2 shall be established, and may be modified, in the same manner as the Distribution Date for Stock Awards as provided in this subsection 4.2; provided that in no event shall the Distribution Date for Deferred Stock Units be earlier than the first business day in January of the year following the date on which the Outside Director ceases to be a director of the Company for any reason. Subject to the proviso to the preceding sentence, the Distribution Date for Deferred Stock Units awarded pursuant to subsection 2.2 shall be the same as the Distribution Date, if any, for Stock Awards pursuant to this subsection 4.2.

4.3. Crediting and Adjustment of Deferred Amounts. The amount of any Eligible Cash Fees (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) deferred pursuant to subsection 4.1 or the Retirement Plan Resolutions ("Deferred Compensation"), and the amount of any Stock Award deferred by an Outside Director pursuant to a Stock Deferral Election and any Deferred Stock Unit (each, a "Stock Deferral"), shall be credited to a bookkeeping account maintained by the Company in the name of the Outside Director (the "Deferred Compensation Account"), which account shall consist of two subaccounts, one known as the "Cash Subaccount" and the other as the "Company Stock Subaccount." Any Stock Deferrals and Eligible Cash Fees that the Outside Director has elected or is deemed to have elected to receive in Stock pursuant to Section 3 and which he or she has also elected to defer pursuant to subsection 4.1 or is required to defer pursuant to subsection 2.2 or the Retirement Plan Resolutions shall be credited to his or her Company Stock Subaccount. Any other Deferred Compensation shall be credited to his or her Cash Subaccount. An Outside Director's Deferred Compensation Account shall be adjusted as follows:

(a) As of the first day of February, May, August and November, and as of July 3, 1995 (each such date referred to herein as an "Accounting Date"), the Outside Director's Cash Subaccount shall be adjusted as follows:

(i) first, the amount of any distributions made since the last preceding Accounting Date and attributable to the Cash Subaccount shall be charged to the Cash Subaccount;

(ii) next, the balance of the Cash Subaccount after adjustment in accordance with subparagraph (i) above shall be credited with interest for the period since the last preceding Accounting Date computed at the prime rate as reported by The Wall Street Journal for the current Accounting Date, or if such date is not a business day, for the next preceding business day, except that, for the February 1, 1997 Accounting Date, the portion of the Cash Subaccount representing amounts credited pursuant to the last sentence of this paragraph (a) shall be credited with interest for only the period since December 31, 1996;

(iii) next, on the Accounting Date occurring on July 3, 1995, the balance in the Cash Subaccount shall be charged with a distribution equal to that portion of the balance in the Cash Subaccount which is attributable to Eligible Cash Fees payable prior to the Effective Date which the Outside Director has elected to receive in Stock pursuant to Section 3 and which were credited to the Cash Subaccount pursuant to the Outside Director's Deferral Election (as adjusted in accordance with the terms of the Plan through July 3, 1995); and

(iv) finally, after adjustment in accordance with the foregoing provisions of this paragraph (a), the Cash Subaccount shall be credited with the portion of the Deferred Compensation or Supplemental Benefit (as defined in the Retirement Plan Resolutions) otherwise payable to the Outside Director since the last preceding Accounting Date or, in the case of the Accounting Date occurring on February 1, 1995, subsequent to January 1, 1995, which is to be credited to the Cash Subaccount, excluding amounts previously credited pursuant to the following sentence.

In addition, as of the close of business on December 31, 1996, the Cash Subaccount shall be credited with the Eligible Cash Fees to be credited to such account pursuant to the Retirement Plan Resolutions which the Outside Director has elected to receive in cash.

(b) The Outside Director's Company Stock Subaccount shall be adjusted as follows:

(i) as of the Effective Date, the Company Stock Subaccount shall be credited with that number of stock units ("Stock Units") which is equal to the amount charged to the Cash Subaccount as of that date pursuant to subparagraph (a) (iii) next above, divided by the Fair Market Value of a share of Stock as of the Effective Date;

(ii) as of any date on or after the Effective Date on which Eligible Cash Fees would have been payable to the Outside Director in Stock but for his or her Deferral Election, and as of December 31, 1996, in the case of the Eligible Cash Fees credited pursuant to the Retirement Plan Resolutions which the Outside Director has elected to take in Stock pursuant to Section 3, the Company Stock Subaccount shall be credited with a number of Stock Units equal to the number of shares of Stock (including any fractional shares) to which he or she would have been entitled pursuant to Section 3;

(iii) as of the date on which a Stock Award would be made to the Outside Director pursuant to subsection 2.1 but for his or her Stock Deferral Election, the Company Stock Subaccount shall be credited with a number of Stock Units equal to the number of shares of Stock that would have been awarded to the Outside Director as of such date but for his or her Stock Deferral Election;

(iv) as of December 31, 1997, and each December 31st thereafter, the Company Stock Subaccount shall be credited with a number of Stock Units equal to the number of Deferred Stock Units awarded pursuant to subsection 2.2;

(v) as of the date on which shares of Stock are distributed to the Outside Director in accordance with subsection 4.4 below, the Company Stock Subaccount shall be charged with an equal number of Stock Units; and

(vi) as of the record date for any dividend paid on Stock, the Company Stock Subaccount shall be credited with that number of additional Stock Units which is equal to the number obtained by multiplying the number of Stock Units then credited to the Company Stock Subaccount by the amount of the cash dividend or the fair market value (as determined by the Board of Directors) of any dividend in kind payable on a share of Stock and dividing that product by the then Fair Market Value of a share of Stock.

In the event of any merger, consolidation, reorganization, recapitalization, spinoff, stock split, reverse stock split, rights offering, exchange or other change in the corporate structure or capitalization of the Company affecting the Stock, each Outside Director's Company Stock Subaccount shall be equitably adjusted in such manner as the Committee shall determine in its sole judgment.

4.4. Payment of Deferred Compensation Account. Except as otherwise provided in this subsection 4.4 or subsection 4.5, the balances credited to the Cash Subaccount and Company Stock Subaccount of an Outside Director's Deferred Compensation Account shall each be payable to the Outside Director in 10 annual installments commencing as of the Distribution Date and continuing on each annual anniversary thereof. Notwithstanding the foregoing, an Outside Director may elect, by filing a notice with the Committee at least one year prior to the Distribution Date, to change the number of payments to a single payment or to any number of annual payments not in excess of ten. Each such payment shall include a cash portion, if applicable, and a Stock portion, if applicable, as follows:

(a) The cash portion to be paid as of the Distribution Date or any anniversary thereof and charged to the Cash Subaccount shall be equal to the balance of the Cash Subaccount multiplied by a fraction, the numerator of which is one and the denominator of which is the number of remaining payments to be made, including such payment.

(b) The Stock portion to be paid as of the Distribution Date or any anniversary thereof and charged to the Company Stock Subaccount shall be distributed in whole shares of Stock, the number of shares of which shall be determined by rounding to the next lower integer the product obtained by multiplying the number of Stock Units then credited to the Outside Director's Company Stock Subaccount by a fraction, the numerator of which is one and the denominator of which is the number of remaining payments to be made, including such payment. The Fair Market Value of any fractional share of Stock remaining after all Stock distributions have been made to the Outside Director pursuant to this paragraph (b) shall be paid to the Outside Director in cash.

Notwithstanding the foregoing, the Committee, in its sole discretion, may distribute all balances in any Deferred Compensation Account to an Outside Director (or former Outside Director) in a lump sum as of any date. Notwithstanding the foregoing, the Committee, in its sole discretion, may distribute all of an Outside Director's Company Stock Subaccount to such Outside Director (or former Outside Director) in a lump sum as of any date or, if requested by an Outside Director who has elected to receive a lump sum, the Committee, in its sole discretion, may distribute all balances in any Deferred Compensation Account to an Outside Director (or former Outside Director) in installments satisfying this subsection 4.4 as requested by the Outside Director (or former Outside Director).

4.5. Payments in the Event of Death. If an Outside Director dies before payment of his or her Deferred Compensation Account commences, all amounts then credited to his or her Deferred Compensation Account shall be distributed to his or her Beneficiary (as described below), as soon as practicable after his or her death, in a lump sum. If an Outside Director dies after payment of his or her Deferred Compensation Account has commenced but before the entire balance of such account has been distributed, the remaining balance thereof shall be distributed to his or her Beneficiary, as soon as practicable after his or her death, in a lump sum. Any amounts in the Cash Subaccount shall be distributed in cash and any amounts in the Company Stock Subaccount shall be distributed in whole shares of Stock determined in accordance with subsection 4.4(b), and the Fair Market Value of any fractional share of Stock shall be distributed in cash. For purposes of the Plan, the Outside Director's "Beneficiary" is the person or persons the Outside Director designates, which designation shall be in writing, signed by the Outside Director and filed with the Committee prior to the Outside Director's death. A Beneficiary designation shall be effective when filed with the Committee in accordance with the preceding sentence. If more than one Beneficiary has been designated, the balance in the Outside Director's Deferred Compensation Account shall be distributed to each such Beneficiary per capita (with cash distributed in lieu of any fractional share of Stock). In the absence of a Beneficiary designation or if no Beneficiary survives the Outside Director, the Beneficiary shall be the Outside Director's estate.

4.6. Multiple Distribution Dates. If, as a result of the applicable proviso to the penultimate sentence of subsection 4.1(b) or 4.2 (the "Multiple Distribution Date Rules"), there shall be more than one Distribution Date for an Outside Director's Cash Subaccount or Company Stock Subaccount, then the Company shall take all steps reasonably practicable to divide the respective subaccount into two separate subaccounts, so that the credits, charges and payments related to the different Distribution Dates are kept separate. In the event an Outside Director has attempted to elect more than one Distribution Date pursuant to the provisions of subsections 4.1 and 4.2 (other than under the circumstances contemplated by the preceding sentence), the following rules of construction shall apply:

(a) the most recent Distribution Date election received by the Company in accordance with the Plan shall constitute a revocation of all prior Distribution Date elections; and

(b) with respect to contemporaneous elections, elections made pursuant to subsection 4.2 shall take precedence over elections made pursuant to subsection

4.1, elections made pursuant to subsection 4.1(a) shall take precedence over elections made pursuant to subsection 4.1(b), and elections made with respect to Stock Awards shall take precedence over elections made with respect to Deferred Stock Units.

SECTION 5

Amendment and Termination

While the Company expects and intends to continue the Plan, the Board of Directors of the Company reserves the right to, at any time and in any way, amend, suspend or terminate the Plan; provided, however, that no amendment, suspension or termination shall:

(a) be made without shareholder approval to the extent such approval is required by law, agreement or the rules of any exchange or automated quotation system upon which the Stock is listed or quoted;

(b) except as provided in subsection 4.4 (relating to lump sum payments of amounts held in an Outside Director's Deferred Compensation Account) or this Section 5, materially alter or impair the rights of an Outside Director under the Plan without the consent of the Outside Director with respect to rights already accrued hereunder; or

(c) make any change that would disqualify the Plan or any other plan of the Company intended to be so qualified from the exemption provided by Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

Exhibit 10.2

As Amended
September 18, 1997

UAL CORPORATION

INCENTIVE COMPENSATION PLAN

I. PURPOSE

In an effort to maintain a position of leadership in the fast-growing and highly competitive business segments in which UAL Corporation (the "Company") competes, it is necessary to promote financial interests of the corporation and its corporate affiliates (the "subsidiaries"), including its growth, by (A) attracting and retaining highly qualified executives possessing outstanding ability, (B) motivating executives by means of performance related incentives, and (C) providing incentive compensation opportunities which are competitive with those of major corporations. The Incentive Compensation Plan (the "Plan") hereinafter described is designated to assist the Company in attaining these objectives.

II. ADMINISTRATION OF THE PLAN

1. The Company is responsible for the general administration of the Plan, except as to matters reserved in this Plan to the Compensation Administration Committee of the Board of Directors of the Company for all grants to any "covered employee" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and by the Compensation Committee of the Board of Directors of the Company for all other grants (such committee, as applicable, herein called the "Committee"). Determinations, decisions and actions of the Company or the Committee in connection with the construction, interpretation, administration, or application of the Plan will be final, conclusive, and binding upon any grantee of awards under the Plan and any person claiming under or through such grantee. Neither the Company nor any member of the Committee will be liable for any determination, decision, or action made with respect to the Plan or any Incentive Award granted under the Plan.

2. A Participant's rights and interests in any Incentive Award made under the Plan may not be assigned or transferred and are not subject to attachment, garnishment, execution, or other creditor's processes.

3. This Plan may at any time be amended, modified, or terminated as the Board, in its discretion, determines, and such amendment, modification, or termination will not require the consent, ratification, or approval of any party, including any Participant hereunder.

4. This Plan and all determinations made and actions taken pursuant hereto will be governed and construed by the law of the State of Illinois.

III. DEFINITIONS

1. Award Year--The calendar year for which Incentive Awards, if any, are calculated under the Plan.

2. Financial Objectives--Financial performance goals established by the Company and approved by the Committee at the beginning of an Award Year. Financial Objectives may apply to overall Company and subsidiaries performance in selected areas and/or to performance of major business segments of the Company and subsidiaries.

3. Financial Performance Factor--The numerical factor determined by the Company shortly after the Award Year by comparing actual performance during such Award Year to the applicable Financial Performance Objectives previously established for such Award Year.

4. Individual Performance Objectives--Goals and objectives established by the Company (or by the Committee in the case of the Company's Chairman and its Chief Executive Officer) for each Participant under the Plan.

5. Individual Performance Factor--The numerical factor determined with respect to the Plan by the Company (or by the Committee in the case of the Chairman and the Chief Executive Officer and officers reporting to either of them) shortly after the Award Year, based upon an evaluation as to the extent to which a Participant in the Plan achieved the Individual Performance Objectives established for him/her. Such evaluation will be wholly discretionary and subjective on the part of the Company or the Committee.

6. Incentive Awards--The dollar value of awards made to Participants under the Plan.

7. Incentive Opportunity--The amount, determined by the Company and as approved by the Committee as appropriate, that a Participant may receive as an Incentive Award under the Plan. The Incentive Opportunity will be stated as a percentage of a Participant's base salary for an Award Year (prorated for a partial year's participation). If a Participant held more than one eligible position in an Award Year, his/her Incentive Opportunity will be determined on a prorata basis.

IV. PARTICIPATION IN THE PLAN

1. Participants will be determined annually by the Company from among key employees and senior management employees of the Company and its subsidiaries. This determination will allow participation only for the Award Year concerned.

2. The Plan does not constitute a contract of employment, and participation in the Plan will not give any employee the right to be retained in the service of the Company or its subsidiaries.

3. If a Participant's employment with the Company or its subsidiaries is terminated during an Award Year, the appropriate Incentive Award under the Plan, if any, for such Participant will be subject to the sole discretion of the Company's Chairman (or to the sole discretion of the committee in case of the termination of employment of the Chairman). A transfer of employment between the Company and any of its subsidiaries will not be considered a termination of employment.

V. COMPUTATION OF INCENTIVE AWARDS

The Incentive Award for an Award Year for a Participant will be the product of a Participant's Incentive Opportunity modified by the Financial Performance Factor and Individual Performance Factor, times the Participant's applicable base salary. No Incentive Award will be made to a Participant for an Award Year in which his company's Financial Performance Factor is below threshold level. However, the Chairman, with Committee approval, may waive the Company's Financial Performance Factor threshold requirement.

Total payments to all participants of the Incentive Compensation Plan will be limited to 5% of Pre-Tax Income in any given year. Should total calculated incentive awards exceed 5% of Pre-Tax Income, payments will be made on a prorated basis.

VI. PAYMENT OF AWARDS

(A) Standard Procedures--Payment of Incentive Awards will be made in cash on or about April 1, of the year following the

Award Year; provided, however, that an Incentive Award may be deferred at the election of a Participant in the manner described below.

(B) Deferred Awards--Participants may elect, on or before December 31 of the year preceding an Award Year, to defer receipt of all or any portion on an Incentive Award to a subsequent calendar year. A Participant will receive payment of a deferred Incentive Award in a lump sum in January of the earliest of: (1) the deferral calendar year selected by the Participant; (2) the calendar year immediately after the Participant's retirement under the United Air Lines, Inc. Non-Union Ground Employees' Retirement Plan; (3) the calendar year after the Participant's termination of employment with the Company for other reasons, provided that a transfer of employment from the Company to any of the Company's affiliates will not be considered a termination of employment with the Company; (4) the occurrence of an "Unforeseeable Emergency", provided that a distribution pursuant to this clause (4) shall not exceed the amount reasonably needed to satisfy the emergency need, or (5) any other time elected by the Participant, provided that upon making such an election, the Participant shall be entitled to receive 90% of the amounts then credited to him or her under the Plan and shall forfeit the remaining 10% of such amount. The amounts deferred will be credited annually with compound interest at the prime rate in effect during the deferral period at the end of the calendar quarter, as reported by The Wall Street Journal. All deferred Incentive Awards will be reflected in the Company's books as general unsecured and unfunded obligations of the Company. No trust in favor of any Participant will be implied. Deferral elections will be irrevocable by a Participant or his or her beneficiary. For purposes of this Section, "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but, in any case, payment under clause (4) above may not be made to the extent that such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or (iii) by cessation of deferrals under the Plan.

VII. SPECIAL RULES

Notwithstanding any other provision of this Plan to the contrary: Incentive Awards with respect to an Award Year with respect to any Participant who is a "covered employee" (as defined in Section 162(m)(3) of the Code) with respect to such Award Year (I) may not exceed $900,000 and (ii) shall be determined by reference to a formula which shall define the Incentive Award by reference to the attainment by the Company of one or more target levels of pre-tax income (as determined under generally accepted accounting principles but without regard to any items (whether gains or losses) otherwise included therein relating to (1) the UAL Corporation Employee Stock Ownership Plan, the UAL Corporation Supplemental ESOP, or the trusts relating thereto, (2) any event or occurrence that the Committee determines to be either not directly related to the operations of the Company or not within the reasonable control of the Company's management, (3) this Plan and (4) the Company's 1988 Restricted Stock Plan) for such Award Year. Such target level(s) and the formula referred to above shall be determined by the Committee prior to the commencement of such Award Year (or at such later time as may be permissible under Section 162(m) of the Code); the Committee shall determine and certify whether such target levels of pre-tax income have been met. Notwithstanding the foregoing, the Committee may reduce the Incentive Award otherwise determined pursuant to such formula in its sole discretion.

Exhibit 10.3

SIXTH AMENDMENT
UAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN
(Effective as of July 12, 1994)

By virtue and in exercise of the amending power reserved to UAL Corporation (the "Company") under Section 13.1(a) of the UAL Corporation Employee Stock Ownership Plan (effective as of July 12, 1994) (the "Plan"), which amending power thereunder is subject to the approval of the Air Line Pilots Association International ("ALPA") and the International Association of Machinists and Aerospace Workers (the "IAM"), the Company hereby amends the Plan, subject to the approval of ALPA and the IAM, as follows, effective December 31, 1996.

1. Section 3.1(b) (ii) is amended by replacing the reference to "Section 5.4 (c) (vii)" with "Sections 5.4 (c) (vii) and 5.4 (g)".

2. The following new subsection (g) is added to Section 5.4:

"Follow-up Allocations. After the performance of the allocations described in the foregoing provisions of this Section 5.4 for a Plan Year, but prior to the time prescribed for filing of the Employer's federal income tax return (including any extensions of time) for that Plan Year, it may be determined that Convertible Shares and/or Voting Shares which were allocated for such Plan Year to a Participant under the Supplemental Plan could have been allocated to Part B for such Plan Year without violating the limitations imposed by Code Sections 415, 401(a) (17) and (with respect to members of the Management and Salaried Employee Group) 401(a) (4). If such a circumstance exists, the Company shall, to the extent provided below, make a contribution of shares on behalf of such Participant to Part B, or, as applicable, direct the trustee of the Supplemental Trust to transfer shares from the Supplemental Trust to Part B. Such shares shall be allocated to the account of such Participant under Part B. The contribution and allocation referred to in this subsection (g) shall be for the limited purpose of crediting (in the same Plan Year) shares under Part B to Participants who were initially allocated such shares under the Supplemental Plan. The contribution and allocation of such shares to such a Participant shall not increase or decrease the aggregate number of shares allocated to the Participant under this Plan and the Supplemental Plan. No contribution or allocation shall be made under this subsection (g) after the time prescribed for filing the Employer's federal income tax return (including any extensions of time) for the Plan Year in which the shares were initially allocated to the Participant under the Supplemental Plan. Transfers of shares following the deadline set forth in the preceding sentence from the Supplemental Plan to this Plan (if any) shall be governed by Section 5.4 (c)(vi) of this Plan and Section 2.7 (a) of the Supplemental Plan."

IN WITNESS WHEREOF, the Company has caused this Sixth Amendment to be executed on August 11, 1997.

UAL CORPORATION

/s/ Douglas A. Hacker

APPROVED BY:

AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL

/s/ Michael H. Glawe

/s/ J.R. Babbitt

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS

/s/ Kenneth W. Thiede

Exhibit 10.4

SIXTH AMENDMENT
UAL CORPORATION
SUPPLEMENTAL ESOP
(Effective as of July 12, 1994)

By virtue and in exercise of the amending power reserved to UAL Corporation (the "Company") under Section 13.1(a) of the UAL Corporation Supplemental ESOP (effective as of July 12, 1994) (the "Plan"), which amending power thereunder is subject to the approval of the Air Line Pilots Association International ("ALPA") and the International Association of Machinists and Aerospace Workers (the "IAM"), the Company hereby amends the Plan, subject to the approval of ALPA and the IAM, as follows, effective as of December 31, 1996.

The following new subsection (d) is hereby added to Section 2.7:

"After the performance of the allocations described in Section 2.4 for a Plan Year, but prior to the time prescribed for filing of the Employer's federal income tax return (including any extensions of time) for that Plan Year, it may be determined that Convertible Shares and/or Voting Shares which were allocated for such Plan Year to a Participant under this Plan could have been allocated to the ESOP (Part B) for such Plan Year without violating the limitations imposed by Code Sections 415, 401(a) (17) and (with respect to members of the Management and Salaried Employee Group) 401(a) (4). If such a circumstance exists, the Company shall, to the extent provided in Section 5.4(g) of the ESOP, make a contribution of shares on behalf of the Participant to the ESOP (Part B), or, as applicable, direct the Trustee to transfer shares from the Supplemental Trust to the ESOP (Part B). Such shares contributed (or transferred) to the ESOP (Part B) on behalf of such Participant shall reduce the Participant's corresponding shares under this Plan."

IN WITNESS WHEREOF, the Company has caused this Sixth Amendment to be executed on August 11, 1997.

UAL CORPORATION

/s/ Douglas A. Hacker

APPROVED BY:

AIR LINE PILOTS ASSOCIATION,

INTERNATIONAL

/s/ Michael H. Glawe

/s/ J.R. Babbitt

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND
AEROSPACE WORKERS

/s/ Kenneth W. Thiede

Exhibit 10.5

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into as of September 1, 1997 between United Air Lines, Inc. ("UA") and UAL Corporation ("UAL") (UA and UAL sometimes collectively referred to as "United") and Joseph R. O'Gorman residing at P.O. Box 422, Barrington, Illinois 60011 (sometimes referred to as "Executive").

WHEREAS, Executive has served and is presently serving as Executive Vice President-Fleet Operations and Administration and as a Director of UA and holds various other positions and directorships with subsidiaries and affiliates of UA or UAL (hereinafter collectively referred to as "Executive Positions"); and

WHEREAS, Executive is desirous of pursuing interests outside of United; and

WHEREAS, United wishes to facilitate Executive's desires as stated above but also to retain Executive's services on the basis described herein; and

WHEREAS, Executive has agreed in this Agreement to provide such services and to release United from any liability arising out of his hire and employment with United and his resignation from his Executive Position;

NOW, THEREFORE, it is agreed by and between United and Executive as follows:

1. Resignation; Continued Employment: Executive hereby resigns from his Executive Positions all effective as of September 1, 1997 (the "Effective Date"). Thereafter, Executive will continue to be actively employed by United, but he will perform services for United by being "on call",

including testifying on behalf on United, and subject to such assignments consistent with Executive's experience as may be reasonably requested by United's President and reasonably acceptable to Executive. Executive and United hereby agree and affirm that circumstances constituting an event of "Good Reason" or a termination of employment under the UAL Agreement (as hereinafter defined) have not arisen or are otherwise applicable and that this Agreement shall not constitute such circumstances. The "UAL Agreement" shall mean, collectively, the 35 page agreement between Executive and UAL dated as of July 1, 1993, and any and all amendments or letters of agreement relating thereto.

2. Time Period of Employment: United agrees to employ Executive and Executive agrees to be employed by United on the basis stated in Paragraph 1 from September 1, 1997 through July 31, 1998, subject to sooner termination pursuant to Paragraph 4 (such period, as it may be shortened pursuant to Paragraph 4, being herein called the "Term").

3. Payments and Benefits: A.(i) During the Term, United will pay Executive a salary of $28,333 per month. Such payments will be made on the same schedule as actively employed officers of United from time to time, currently the 15th and last day of each month. Any amounts will be prorated for any partial month. Executive will not be entitled to any increase nor subject to any decrease in such salary payments during the Term.

(ii) In addition to the payments specified in Paragraph 3.A(i), on March 15, 1998, United will pay Executive a lump sum severance payment of $183,333.

(iii) All payments under this Paragraph 3.A will be subject to withholding for taxes and other purposes as required by applicable law.

B. Notwithstanding what may be provided to other active employees of United from time to time, the only benefits that Executive shall be entitled to during the Term are as follows, in each case subject to the rules and regulations of United as from time to time are in effect (except as otherwise stated below in this Paragraph 3.B):

(i) Free and Reduced Rate Transportation: United shall provide to Executive and his eligibles free and reduced rate transportation of the type granted to actively employed officers in accordance with company regulations as revised from time to time.

(ii) United Air Lines, Inc. Management and Salaried Employees' Retirement Plan: Executive shall continue to participate in (i) the Retirement Plan and (ii) The United Air Lines, Inc. Supplemental Retirement Plan in accordance with their terms (hereinafter collectively the "Retirement Plans").

(iii) Management Medical/Dental: Executive and his eligible dependents shall continue to be covered by the Management Medical/Dental Plan in the same manner as other active employees.

(iv) Group Life Insurance: Executive shall continue to be covered by Group Life Insurance including Contributory Life Insurance (if so covered), on the same basis as other active employees, provided the appropriate payroll deductions are authorized and in accordance with the terms of the policies.

(v) Officer's Accidental Death and Dismemberment Insurance/Split Dollar Life Insurance: Executive's Officer's Accidental Death and Dismemberment coverage of $250,000 will continue until the termination of this Agreement as provided in Paragraph 4 herein. Executive will have the option of converting up to $100,000 of this coverage to a private policy within 31 days of termination, if Executive so chooses. Executive will continue to be covered by the Officer's Split Dollar Life Insurance until July 31, 2003. The terms of Executive's coverage and option for continuation of the Officer's Split Dollar Life Insurance thereafter will be explained in a separate letter by July 31, 2003.

(vi) Disability Income Benefits: Executive, provided he is qualified under the terms of the Plan, and provided he makes such payments as may be required by the Plan Administrator, will be eligible for any disability income benefits from company disability insurance plans.

(vii) Stock: Executive shall continue to participate in the UAL, Inc. 1981 Incentive Stock Program (the "Program") and the 1988 Restricted Stock Plan ("1988 Plan"). Termination of employment pursuant to Paragraph 4 of the Agreement will be a cessation of employment within the meaning of the Program and the 1988 Plan. Nothing in this Agreement will increase or diminish the right of Executive to exercise any stock option that becomes exercisable according to the terms of the Program and the relevant option. Notwithstanding the foregoing, the parties hereby agree that the Non-Qualified Stock Option Agreements with Executive dated as of April 26, 1996 (the "April 1996 Agreement") and May 20, 1997 (the "May 1997 Agreement") and the Restricted Stock Agreement with Executive dated May 17, 1995 (the "May 1995 Agreement") are hereby amended as follows:

(a) The unvested options to purchase up to 20,000 shares of UAL common stock that Executive has remaining under the April 1996 Agreement that are scheduled to vest after July 31, 1998 will be forfeited on the Effective Date.

(b) The unvested options to purchase up to 11,775 shares of UAL common stock that Executive has remaining under the May 1997 Agreement that are scheduled to vest after July 31, 1998 will be forfeited on the Effective Date.

(c) The 12,000 restricted shares of UAL common stock that Executive has under the May 1995 Agreement that are not scheduled to be released from restrictions until after July 31, 1998 will be forfeited on the Effective Date.

Executive will not be eligible for any grants made under the Program or the 1988 Plan after the Effective Date.

(viii) Other Benefits: Executive will continue to be eligible to participate in the stock purchase plan, 401(k) plan, Flexible Spending Account, and be eligible for payroll savings bonds on the same basis as other active employees. Executive will also be eligible to utilize the Credit Union subject to its rules.

(ix) Vacation and Holidays: Executive agrees to forego any unused vacation time existing as of September 1, 1997 and no paid vacation or holiday time will be accrued or taken after September 1, 1997.

(x) UAL Stock Ownership Plan: Because, among other matters, Executive is receiving compensation pursuant to this Agreement at a rate greater than that which he had received after the commencement of the UAL Stock Ownership Plan ("ESOP"), all parties acknowledge and agree that Executive will no longer be eligible to participate in the ESOP after August 31, 1997, and as of September 1, 1997 his participation with respect to future accruals of UAL stock shall cease, but he will retain whatever stock or other benefits rights he may have accrued prior to that date, all in accordance with the ESOP's terms and conditions.

(xi) Company Owned Car: Executive will be entitled to retain the company owned car provided to him by United. In addition, no later than 31 days following the Effective Date, United will pay off all amounts due under the lease pertaining to the vehicle, and United will cause title in the vehicle to be conveyed to Executive. To the extent there is any imputed income as a result of the conveyance of title or the liquidation of the lease or both, Executive will be deemed to have received such imputed income and United may make withholdings for income taxes and other purposes as required by applicable law.

C. Each of the benefits enumerated in Paragraph 3.B. is subject to the practices, rules, and regulations of United, as in effect from time to time.

D. For purposes of clarity, if an Incentive Compensation Plan (ICP) award is granted for 1997 performance or thereafter, Executive will not be eligible under the ICP for any award.

4. Termination of Employment Under Agreement:

A. Non-Election of Executive: Executive's employment under this Agreement shall terminate and Executive will no longer have the status of an active employee of United and will no longer be entitled to any of the benefits of this Agreement (including the entitlement to the payment and benefits described in Paragraph 3 (other than those required by law and otherwise vested)), on the happening of the earliest of the following events:

(i) Executive's death.

(ii) Executive's discharge for cause.

(iii) Any action or communication by Executive that adversely reflects upon United or the service it provides or any action or communication that causes, induces, or facilitates others to act adversely to United.

(iv) 11:59 p.m. on July 31, 1998, at which time he will be deemed to have elected to retire.

Notwithstanding such termination, Executive shall continue to be bound by the provisions of Paragraphs 6 through 12 of this Agreement. Discharge for "cause" shall mean termination upon (a) willful and continued failure by Executive to substantially perform the duties set forth in Paragraph 1 of this Agreement (other than any such failure resulting from Executive's incapacity due to physical or mental illness) after written demand for substantial performance is delivered to Executive by the Board of Directors of UAL Corporation, which demand specifically identifies the manner in which that Board believes Executive has not substantially performed such duties, and reasonable opportunity of Executive to perform, or (b) the willful engaging by Executive in conduct which is demonstrably and materially injurious to United or its subsidiaries or affiliates monetarily or otherwise, or (c) any willful breach by Executive of this Agreement. For purposes of this definition, no act, or failure to act, on Executive's part shall be deemed "willful" unless done, or omitted to be done, by Executive not in good faith and without the reasonable belief that such action or omission was in the best interest of United or its subsidiaries or affiliate.

B. Upon Retirement: If this Agreement and Executive's employment under it have not otherwise terminated pursuant to Paragraph 4 as of 11:59 p.m. of July 31, 1998, then effective as of that time and day Executive hereby retires from United and Executive will be entitled to the benefits of a retired United officer, as such may be revised from time to time. In addition, United will pay Executive a supplemental retirement benefit computed and paid in accordance with the Retirement Plans (as defined in Paragraph 3.B.(ii)) but calculating Executive's accrued benefit (the "Additional Years of Service Credit") as if Executive had been continuously employed by United from June 27, 1966 to the date of Executive's retirement from United. The amount of this supplemental retirement benefit shall be determined without decrement based on age at the time of retirement, so that such benefit will be determined as if Executive actually retired at age 65, regardless of the actual age at which Executive retires. This supplemental retirement benefit shall be offset by the accrued benefit payable to Executive under the Retirement Plans, and shall be paid out of United's general funds pursuant to United's contractual obligation hereunder, but no funds shall be placed in trust or otherwise set aside by United to provide for payments hereunder. Such supplemental retirement benefit shall be payable at the same time and in the same manner as Executive elects to receive his benefits under the Retirement Plans. The Additional Years of Service Credit shall also apply in determining Executive's eligibility for, and the amount of, Executive's other retiree benefits.

C. Election of Executive: If, prior to 11:59 p.m. on July 31, 1998, Executive elects to terminate his employment for any reason, Executive will receive a one time lump sum payment (subject to withholding for taxes and other purposes as required by applicable laws) in an amount equal to the sum of the remaining monthly salary payments payable under this Agreement between the effective date of Executive's election to terminate his employment under this Agreement and July 31, 1998 plus, if it has not otherwise been paid, the lump sum severance payment specified in paragraph 3. Before Executive's election to terminate under this paragraph can become effective, Executive must have provided United seven (7) days' written notice of his election by registered mail addressed to the President of United at its principal World Headquarters offices. Executive's termination of employment will be as of the seventh (7th) day after receipt by United of such notice, at which time he will no longer have the status of an active employee of United (including the entitlement to benefits described in Paragraph 3).

5. Regulations: During his employment, Executive will be governed by applicable United regulations, as in effect from time to time.

6. Confidentiality:

A. Executive agrees to keep any proprietary or confidential information concerning United which he has gained through his employment confidential. Executive agrees that money damages could not adequately compensate United in case of a breach or threatened breach of this promise of confidentiality and that, therefore, United would be entitled to injunctive relief upon such breach. Executive understands that it is United's intent to have this promise of confidentiality enforced to its fullest extent. Accordingly, Executive and United agree that, if any portion of this promise of confidentiality is unenforceable, the court should still construe and enforce this promise of confidentiality to the fullest extent permitted by law.

B. Executive and United agree to keep the terms of this Agreement, and of his working arrangement, as defined herein, confidential except that the source and amount of his income may be revealed as necessary for implementation and fulfillment of this Agreement, tax, loan purposes and the like and for disclosure to legal counsel to carry out the review of this Agreement in accordance with Paragraph 7.

C. During the term of this Agreement, United will not take any action or make any communication that adversely reflects upon Executive or that causes, induces, or facilitates others to act adversely to Executive.

7. Assent and Release: In consideration for the payments and benefits provided in this Agreement, Executive hereby voluntarily, knowingly, willingly, irrevocably, and unconditionally releases UA and UAL together with their respective parents, subsidiaries and affiliates, and each of their respective officers, directors, employees, representatives, attorneys and agents, and each of their respective predecessors, successors and assigns (collectively, the "Releasees") from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, causes of action, rights, costs, losses, debts, and expenses of any nature whatsoever, known or unknown, which against them Executive or his successors or assigns ever had, now have or hereafter can, shall or may have (either directly, indirectly, derivatively or in any other representative capacity) by reason of any matter, fact or cause whatsoever arising from the beginning of time to the date of this Agreement, including without limitation all claims arising under the UAL Agreement, Title VII of the Civil Rights Act of 1964, the federal

Age Discrimination in Employment Act of 1967, as amended, and all other federal, state or local laws, rules, regulations, judicial decisions or public policies now or hereafter recognized. This release by Executive of the Releasees also includes, without limitation, all claims arising under each employee pension, employee welfare, and executive compensation plan of United now in effect or hereafter adopted, except for any benefits to be provided to Executive under this Agreement or in the normal course of Executive's employment through the Effective Date. It is agreed that this paragraph shall survive termination of the Agreement.

Executive expressly acknowledges and agrees that, by entering into this Agreement, Executive is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement. Executive further expressly acknowledges and agrees that:

(i) In return for this Agreement, Executive will receive compensation beyond that which he was already entitled to receive before entering into this Agreement;

(ii) Executive has been advised by United to consult with an attorney before signing this Agreement;

(iii) Executive was given a copy of this Agreement on August 5, 1997, and informed that Executive had twenty-one (21) days within which to consider the Agreement and, if Executive considers this Agreement for fewer than 21 days, then Executive agrees that he has had a reasonable period of time to consider the Agreement; and

(iv) Executive was informed that Executive had seven (7) days following the date of execution of the Agreement in which to revoke the Agreement. After seven (7) days this Agreement will become effective, enforceable and irrevocable unless written revocation is received by the undersigned from Executive on or before the close of business on the seventh (7th) day after Executive executed this Agreement. If Executive revokes this Agreement it shall not be effective or enforceable and Executive will not receive the compensation or benefits described in this Agreement.

8. Non-Assignability; Assignment in the Event of

Acquisition or Merger: This Agreement and the benefits hereunder are not assignable or transferable by Executive; the rights and obligations of United under this Agreement will automatically be deemed to by assigned by United to any corporation or entity into which United may be merged or consolidate.

9. Applicable Law: This Agreement shall be construed in accordance with the laws of the State of Illinois, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by the laws of the State of Illinois, without regard to principles of conflict of laws. Except for an action seeking injunctive relief under Paragraph 6, any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in Chicago, Illinois in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Each party shall be responsible for its own attorneys fees, costs, and expenses in connection with the arbitration.

10. Paragraph Reference: Any reference to paragraphs or subparagraphs shall be references to paragraphs or subparagraphs of this Agreement unless expressly stated otherwise.

11. Severability: If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or application in accordance with the essential intent and purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

12. Supersedes Prior Agreement(s): This Agreement supersedes and voids any prior oral or written agreement

relating in any way to Executive's employment with UA or UAL which may have been entered into between the parties hereto including, without limitation the UAL Agreement. Any change to this Agreement after its Effective Date must be in writing and must be executed by UA, UAL, and Executive. Executive hereby expressly waives any and all rights to which he may be entitled under the UAL Agreement.

United and Executive, having read and understood this Agreement and, having consulted with others as appropriate, hereby agree to be bound by its terms.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of August 8, 1997 at the World Headquarters of United Air Lines, Inc., 1200 East Algonquin Road, Elk Grove Twp., Illinois 60007.

UAL Corporation and
United Air Lines, Inc.

By: /s/ G. Greenwald	/s/ J.R. O'Gorman
Gerald Greenwald Chairman & Chief Executive Officer	Joseph R. O'Gorman

Exhibit 11

UAL Corporation and Subsidiary Companies
Calculation of Fully Diluted Net Earnings Per Share
(In Millions, Except Per Share)

	Three Months Ended September 30 1997	Three Months Ended September 30 1996	Nine Months Ended September 30 1997	Nine Months Ended September 30 1996
Earnings:				
Earnings before preferred stock transactions, distributions on preferred securities and extraordinary item	$ 580	$ 347	$ 930	$ 580
Preferred stock dividends	(19)	(15)	(57)	(47)
Interest on convertible debentures	-	-	-	3
Earnings before preferred stock transactions, distributions on preferred securities and extraordinary item for fully diluted calculation	561	332	873	536
Preferred stock transactions	-	-	-	(21)
Distributions on preferred securities	(1)	-	(4)	-
Extraordinary loss on early extinguishment of debt	-	(7)	-	(66)
Net earnings for fully diluted calculation	$ 560	$ 325	$ 869	$ 449
Shares:				
Average number of shares of common stock outstanding during the period	59.6	58.2	59.2	55.3
Additional shares assumed issued at the beginning of the period (or at the date of issuance) for conversion of preferred stock	37.3	25.6	34.4	22.5
Additional shares assumed issued at the beginning of the period for conversion of convertible debentures	-	-	-	2.9
Additional shares assumed issued at the beginning of the period (or at the date of issuance) for exercises of dilutive stock options and stock award plans (after deducting shares assumed purchased under the treasury stock method)	2.9	2.6	2.7	2.4
Average number of shares for fully diluted calculation	99.8	86.4	96.3	83.1
Fully diluted per share amounts:				
Earnings before preferred stock transactions and extraordinary item	$ 5.61	$ 3.85	$ 9.01	$ 6.45
Preferred stock transactions, net of tax	-	-	-	(0.25)

Extraordinary loss on early extinguishment of debt, net of tax	-	(0.08)	-	(0.80)
Net earnings	$ 5.61	$ 3.77	$ 9.01	$ 5.40

Exhibit 12.1

UAL Corporation and Subsidiary Companies

Computation of Ratio of Earnings to Fixed Charges

	Nine Months Ended September 30 1997	1996
	(In Millions)	
Earnings:		
Earnings before income taxes and extraordinary item	$1,472	$ 937
Fixed charges, from below	728	820
Undistributed earnings of affiliates	(20)	(40)
Interest capitalized	(75)	(57)
Earnings	$2,105	$1,660
Fixed charges:		
Interest expense	$ 213	$ 230
Portion of rental expense representative of the interest factor	515	590
Fixed charges	$ 728	$ 820
Ratio of earnings to fixed charges	2.89	2.02

Exhibit 12.2

UAL Corporation and Subsidiary Companies

Computation of Ratio of Earnings to Fixed Charges

and Preferred Stock Dividend Requirements

	Nine Months Ended September 30	
	1997	1996
	(In Millions)	
Earnings:		
Earnings before income taxes and extraordinary item	$1,472	$ 937
Fixed charges, from below	823	895
Undistributed earnings of affiliates	(20)	(40)
Interest capitalized	(75)	(57)
Earnings	$2,200	$1,735
Fixed charges:		
Interest expense	$ 213	$ 230
Preferred stock dividend requirements	95	75
Portion of rental expense representative of the interest factor	515	590
Fixed charges	$ 823	$ 895
Ratio of earnings to fixed charges	2.67	1.94

<ARTICLE> 5
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM UAL CORPORATION'S STATEMENT OF CONSOLIDATED OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997 AND CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS OF SEPTEMBER 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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