

United Continental Holdings, Inc.
United Airlines, Inc.
Quarterly Report on Form 10-Q
For the Quarterly Period Ended June 30, 2018

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017 (a)	2018	2017 (a)
Operating revenue:				
Passenger revenue	\$ 9,880	\$ 9,151	\$ 18,030	\$ 16,804
Cargo	314	273	607	511
Other operating revenue	583	584	1,172	1,119
Total operating revenue	<u>10,777</u>	<u>10,008</u>	<u>19,809</u>	<u>18,434</u>
Operating expense:				
Salaries and related costs	2,878	2,842	5,604	5,478
Aircraft fuel	2,390	1,669	4,355	3,229
Regional capacity purchase	681	549	1,300	1,085
Landing fees and other rent	603	541	1,161	1,085
Depreciation and amortization	557	536	1,098	1,054
Aircraft maintenance materials and outside repairs	438	472	878	926
Distribution expenses	393	385	735	704
Aircraft rent	119	152	246	331
Special charges (Note 10)	129	44	169	95
Other operating expenses	1,428	1,381	2,826	2,690
Total operating expenses	<u>9,616</u>	<u>8,571</u>	<u>18,372</u>	<u>16,677</u>
Operating income	1,161	1,437	1,437	1,757
Nonoperating income (expense):				
Interest expense	(177)	(167)	(353)	(329)
Interest capitalized	14	21	33	44
Interest income	25	13	42	24
Miscellaneous, net	(166)	(27)	(118)	(69)
Total nonoperating expense, net	<u>(304)</u>	<u>(160)</u>	<u>(396)</u>	<u>(330)</u>
Income before income taxes	857	1,277	1,041	1,427
Income tax expense	173	456	210	507
Net income	<u>\$ 684</u>	<u>\$ 821</u>	<u>\$ 831</u>	<u>\$ 920</u>
Earnings per share, basic	<u>\$ 2.49</u>	<u>\$ 2.67</u>	<u>\$ 2.97</u>	<u>\$ 2.96</u>
Earnings per share, diluted	<u>\$ 2.48</u>	<u>\$ 2.67</u>	<u>\$ 2.96</u>	<u>\$ 2.96</u>

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Accounting Standards Update No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

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

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2018</u>	<u>2017 (a)</u>	<u>2018</u>	<u>2017 (a)</u>
Net income	\$ 684	\$ 821	\$ 831	\$ 920
Other comprehensive income (loss), net change related to:				
Employee benefit plans, net of taxes	12	4	42	(4)
Investments and other, net of taxes	—	(12)	3	(11)
Total other comprehensive income (loss), net	12	(8)	45	(15)
Total comprehensive income, net	<u>\$ 696</u>	<u>\$ 813</u>	<u>\$ 876</u>	<u>\$ 905</u>

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Accounting Standards Update No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

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

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

	June 30, 2018	December 31, 2017 (a)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,884	\$ 1,482
Short-term investments	2,187	2,316
Receivables, less allowance for doubtful accounts (2018 — \$7; 2017 — \$7)	1,840	1,340
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2018 — \$380; 2017 — \$354)	942	924
Prepaid expenses and other	1,028	1,071
Total current assets	8,881	7,133
Operating property and equipment:		
Owned—		
Flight equipment	30,143	28,692
Other property and equipment	7,481	6,946
Total owned property and equipment	37,624	35,638
Less — Accumulated depreciation and amortization	(11,974)	(11,159)
Total owned property and equipment, net	25,650	24,479
Purchase deposits for flight equipment	894	1,344
Capital leases—		
Flight equipment	1,224	1,151
Other property and equipment	11	11
Total capital leases	1,235	1,162
Less — Accumulated amortization	(833)	(777)
Total capital leases, net	402	385
Total operating property and equipment, net	26,946	26,208
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2018 — \$1,346; 2017 — \$1,313)	3,399	3,539
Restricted cash	94	91
Investments in affiliates and other, net	848	852
Total other assets	8,864	9,005
Total assets	\$ 44,691	\$ 42,346

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

	June 30, 2018	December 31, 2017 (a)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Advance ticket sales	\$ 5,826	\$ 3,940
Accounts payable	2,703	2,196
Frequent flyer deferred revenue	2,206	2,192
Accrued salaries and benefits	1,782	2,166
Current maturities of long-term debt	887	1,565
Current maturities of capital leases	117	128
Other	571	576
Total current liabilities	14,092	12,763
Long-term debt	12,460	11,703
Long-term obligations under capital leases	1,039	996
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,783	2,591
Postretirement benefit liability	1,585	1,602
Pension liability	1,815	1,921
Deferred income taxes	419	204
Lease fair value adjustment, net	155	198
Other	1,704	1,634
Total other liabilities and deferred credits	8,461	8,150
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock at par, \$0.01 par value; authorized 1,000,000,000 shares; outstanding 273,017,840 and 286,973,195 shares at June 30, 2018 and December 31, 2017, respectively	3	3
Additional capital invested	6,091	6,098
Retained earnings	5,367	4,549
Stock held in treasury, at cost	(1,720)	(769)
Accumulated other comprehensive loss	(1,102)	(1,147)
Total stockholders' equity	8,639	8,734
Total liabilities and stockholders' equity	\$ 44,691	\$ 42,346

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

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

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

	Six Months Ended June 30,	
	2018	2017
Cash Flows from Operating Activities:		
Net cash provided by operating activities	\$ 4,175	\$ 2,108
Cash Flows from Investing Activities:		
Capital expenditures	(1,734)	(1,780)
Purchases of short-term and other investments	(1,326)	(1,587)
Proceeds from sale of short-term and other investments	1,455	1,561
Investment in affiliates	(139)	—
Proceeds from sale of property and equipment	20	5
Other, net	7	123
Net cash used in investing activities	(1,717)	(1,678)
Cash Flows from Financing Activities:		
Proceeds from issuance of long-term debt and airport construction financing	1,308	1,139
Repurchases of common stock	(969)	(712)
Payments of long-term debt	(1,294)	(525)
Principal payments under capital leases	(62)	(59)
Other, net	(41)	(75)
Net cash used in financing activities	(1,058)	(232)
Net increase in cash, cash equivalents and restricted cash	1,400	198
Cash, cash equivalents and restricted cash at beginning of the period	1,591	2,303
Cash, cash equivalents and restricted cash at end of the period (a)	<u>\$ 2,991</u>	<u>\$ 2,501</u>
Investing and Financing Activities Not Affecting Cash:		
Property and equipment acquired through the issuance of debt and capital leases	\$ 139	\$ 907
Airport construction financing	12	32

(a) The following table provides a reconciliation of cash, cash equivalents and restricted cash to amounts reported within the consolidated balance sheet:

Reconciliation of cash, cash equivalents and restricted cash:

Current assets:		
Cash and cash equivalents	\$ 2,884	\$ 2,371
Restricted cash included in Prepaid expenses and other	13	15
Other assets:		
Restricted cash	94	115
Total cash, cash equivalents and restricted cash	<u>\$ 2,991</u>	<u>\$ 2,501</u>

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017 (a)	2018	2017 (a)
Operating revenue:				
Passenger revenue	\$ 9,880	\$ 9,151	\$ 18,030	\$ 16,804
Cargo	314	273	607	511
Other operating revenue	583	584	1,172	1,119
Total operating revenue	10,777	10,008	19,809	18,434
Operating expense:				
Salaries and related costs	2,878	2,842	5,604	5,478
Aircraft fuel	2,390	1,669	4,355	3,229
Regional capacity purchase	681	549	1,300	1,085
Landing fees and other rent	603	541	1,161	1,085
Depreciation and amortization	557	536	1,098	1,054
Aircraft maintenance materials and outside repairs	438	472	878	926
Distribution expenses	393	385	735	704
Aircraft rent	119	152	246	331
Special charges (Note 10)	129	44	169	95
Other operating expenses	1,428	1,380	2,825	2,689
Total operating expense	9,616	8,570	18,371	16,676
Operating income	1,161	1,438	1,438	1,758
Nonoperating income (expense):				
Interest expense	(177)	(167)	(353)	(329)
Interest capitalized	14	21	33	44
Interest income	25	13	42	24
Miscellaneous, net	(167)	(28)	(119)	(69)
Total nonoperating expense, net	(305)	(161)	(397)	(330)
Income before income taxes	856	1,277	1,041	1,428
Income tax expense	172	457	210	508
Net income	\$ 684	\$ 820	\$ 831	\$ 920

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Accounting Standards Update No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017 (a)	2018	2017 (a)
Net income	\$ 684	\$ 820	\$ 831	\$ 920
Other comprehensive income (loss), net change related to:				
Employee benefit plans, net of taxes	12	4	42	(4)
Investments and other, net of taxes	—	(12)	3	(11)
Total other comprehensive income (loss), net	12	(8)	45	(15)
Total comprehensive income, net	\$ 696	\$ 812	\$ 876	\$ 905

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Accounting Standards Update No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

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

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

	June 30, 2018	December 31, 2017 (a)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,878	\$ 1,476
Short-term investments	2,187	2,316
Receivables, less allowance for doubtful accounts (2018 — \$7; 2017 — \$7)	1,840	1,340
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2018 — \$380; 2017 — \$354)	942	924
Prepaid expenses and other	1,028	1,071
Total current assets	8,875	7,127
Operating property and equipment:		
Owned—		
Flight equipment	30,143	28,692
Other property and equipment	7,481	6,946
Total owned property and equipment	37,624	35,638
Less — Accumulated depreciation and amortization	(11,974)	(11,159)
Total owned property and equipment, net	25,650	24,479
Purchase deposits for flight equipment	894	1,344
Capital leases—		
Flight equipment	1,224	1,151
Other property and equipment	11	11
Total capital leases	1,235	1,162
Less — Accumulated amortization	(833)	(777)
Total capital leases, net	402	385
Total operating property and equipment, net	26,946	26,208
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2018 — \$1,346; 2017 — \$1,313)	3,399	3,539
Restricted cash	94	91
Investments in affiliates and other, net	848	852
Total other assets	8,864	9,005
Total assets	\$ 44,685	\$ 42,340

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

	June 30, 2018	December 31, 2017 (a)
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Advance ticket sales	\$ 5,826	\$ 3,940
Accounts payable	2,703	2,196
Frequent flyer deferred revenue	2,206	2,192
Accrued salaries and benefits	1,782	2,166
Current maturities of long-term debt	887	1,565
Current maturities of capital leases	117	128
Other	575	581
Total current liabilities	14,096	12,768
Long-term debt	12,460	11,703
Long-term obligations under capital leases	1,039	996
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,783	2,591
Postretirement benefit liability	1,585	1,602
Pension liability	1,815	1,921
Deferred income taxes	446	231
Lease fair value adjustment, net	155	198
Other	1,704	1,634
Total other liabilities and deferred credits	8,488	8,177
Commitments and contingencies		
Stockholder's equity:		
Common stock at par, \$0.01 par value; authorized 1,000 shares; issued and outstanding 1,000 shares at both June 30, 2018 and December 31, 2017	—	—
Additional capital invested	841	1,787
Retained earnings	8,971	8,146
Accumulated other comprehensive loss	(1,102)	(1,147)
Receivable from related parties	(108)	(90)
Total stockholder's equity	8,602	8,696
Total liabilities and stockholder's equity	\$ 44,685	\$ 42,340

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. See Note 1 to the financial statements contained in Part I, Item 1 of this report for additional information.

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

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

	Six Months Ended June 30,	
	2018	2017
Cash Flows from Operating Activities:		
Net cash provided by operating activities	\$ 4,158	\$ 2,095
Cash Flows from Investing Activities:		
Capital expenditures	(1,734)	(1,780)
Purchases of short-term investments and other investments	(1,326)	(1,587)
Proceeds from sale of short-term and other investments	1,455	1,561
Investment in affiliates	(139)	—
Proceeds from sale of property and equipment	20	5
Other, net	7	123
Net cash used in investing activities	(1,717)	(1,678)
Cash Flows from Financing Activities:		
Proceeds from issuance of long-term debt and airport construction financing	1,308	1,139
Dividend to UAL	(969)	(712)
Payments of long-term debt	(1,294)	(525)
Principal payments under capital leases	(62)	(59)
Other, net	(24)	(62)
Net cash used in financing activities	(1,041)	(219)
Net increase in cash, cash equivalents and restricted cash	1,400	198
Cash, cash equivalents and restricted cash at beginning of the period	1,585	2,297
Cash, cash equivalents and restricted cash at end of the period (a)	\$ 2,985	\$ 2,495
Investing and Financing Activities Not Affecting Cash:		
Property and equipment acquired through the issuance of debt and capital leases	\$ 139	\$ 907
Airport construction financing	12	32

(a) The following table provides a reconciliation of cash, cash equivalents and restricted cash to amounts reported within the consolidated balance sheet:

Reconciliation of cash, cash equivalents and restricted cash:		
Current assets:		
Cash and cash equivalents	\$ 2,878	\$ 2,365
Restricted cash included in Prepaid expenses and other	13	15
Other assets:		
Restricted cash	94	115
Total cash, cash equivalents and restricted cash	\$ 2,985	\$ 2,495

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

**UNITED CONTINENTAL HOLDINGS, INC. AND UNITED AIRLINES, INC.
COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

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

The UAL and United unaudited condensed consolidated financial statements shown here have been prepared as required by the U.S. Securities and Exchange Commission (the "SEC"). Some information and footnote disclosures normally included in financial statements that comply with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted as permitted by the SEC. The financial statements include all adjustments, including normal recurring adjustments and other adjustments, which are considered necessary for a fair presentation of the Company's financial position and results of operations. The UAL and United financial statements should be read together with the information included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017. The Company's quarterly financial data is subject to seasonal fluctuations and historically its second and third quarter financial results, which reflect higher travel demand, are better than its first and fourth quarter financial results.

NOTE 1 - RECENTLY ISSUED ACCOUNTING STANDARDS

The Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (the "New Revenue Standard"), effective January 1, 2018 using the full-retrospective method. Topic 606 prescribes that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For the Company, the most significant impact of the standard is the reclassification of certain ancillary fees from other operating revenue into passenger revenue on the statement of consolidated operations. These ancillary fees are directly related to passenger travel, such as ticket change fees and baggage fees, and are no longer considered distinct performance obligations separate from the passenger travel component. In addition, the ticket change fees, which were previously recognized when received, are now recognized when transportation is provided. Adoption of the standard had no impact on the Company's consolidated cash flows statements.

The Company adopted Accounting Standards Update No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (the "New Retirement Standard"), effective January 1, 2018 using the full-retrospective method. The New Retirement Standard requires employers to present the service cost component of the net periodic benefit cost in the same income statement line item as other employee compensation costs arising from services rendered during the period. The other components of net benefit cost, including interest cost, expected return on plan assets, amortization of prior service cost/credit and actuarial gain/loss, and settlement and curtailment effects, are to be presented outside of any subtotal of operating income. The Company elected to apply the practical expedient and use the amounts disclosed in Note 5 to the financial statements included in Part I, Item 1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017 as the estimation basis for applying the retrospective presentation requirements of the standard.

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The new standards had the same impact on the financial statements of United as they had on the financial statements of UAL. The table below presents the impact of the adoption of the New Revenue Standard and the New Retirement Standard on select accounts and captions of the statement of consolidated operations for the three months ended June 30, 2017 (in millions, except per share amounts):

	Three Months Ended June 30, 2017			
	As Previously Reported	New Revenue Standard Adjustments	New Retirement Standard Adjustments	As Adjusted
Passenger revenue	\$ 8,622	\$ 529	\$ —	\$ 9,151
Cargo	254	19	—	273
Other operating revenue	1,124	(540)	—	584
Total operating revenue	10,000	8	—	10,008
Salaries and related costs	2,868	—	(26)	2,842
Distribution expenses	362	23	—	385
Other operating expenses	1,408	(27)	—	1,381
Total operating expenses	8,601	(4)	(26)	8,571
Operating income	1,399	12	26	1,437
Interest expense	(158)	(9)	—	(167)
Miscellaneous, net	(1)	—	(26)	(27)
Total nonoperating expense, net	(125)	(9)	(26)	(160)
Income before income taxes	1,274	3	—	1,277
Income tax expense	456	—	—	456
Net income	818	3	—	821
Earnings per share, basic	2.67	—	—	2.67
Earnings per share, diluted	2.66	0.01	—	2.67

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The table below presents the impact of the adoption of the New Revenue Standard and the New Retirement Standard on select accounts and captions of the statement of consolidated operations for the six months ended June 30, 2017 (in millions, except per share amounts):

	Six Months Ended June 30, 2017			
	As Previously Reported	New Revenue Standard Adjustments	New Retirement Standard Adjustments	As Adjusted
Passenger revenue	\$ 15,796	\$ 1,008	\$ —	\$ 16,804
Cargo	474	37	—	511
Other operating revenue	2,150	(1,031)	—	1,119
Total operating revenue	18,420	14	—	18,434
Salaries and related costs	5,529	—	(51)	5,478
Distribution expenses	669	35	—	704
Other operating expenses	2,740	(50)	—	2,690
Total operating expenses	16,743	(15)	(51)	16,677
Operating income	1,677	29	51	1,757
Interest expense	(308)	(21)	—	(329)
Miscellaneous, net	(18)	—	(51)	(69)
Total nonoperating expense, net	(258)	(21)	(51)	(330)
Income before income taxes	1,419	8	—	1,427
Income tax expense	505	2	—	507
Net income	914	6	—	920
Earnings per share, basic	2.95	0.01	—	2.96
Earnings per share, diluted	2.94	0.02	—	2.96

The table below presents the impact of the adoption of the New Revenue Standard on UAL's balance sheet accounts and captions as of December 31, 2017 (in millions):

	At December 31, 2017		
	As Previously Reported	New Revenue Standard Adjustments	As Adjusted
Prepaid expenses and other	\$ 1,051	\$ 20	\$ 1,071
Total current assets	7,113	20	7,133
Total assets	42,326	20	42,346
Advance ticket sales	3,876	64	3,940
Frequent flyer deferred revenue	2,176	16	2,192
Other	569	7	576
Total current liabilities	12,676	87	12,763
Frequent flyer deferred revenue - long-term	2,565	26	2,591
Deferred income taxes	225	(21)	204
Total other liabilities and deferred credits	8,145	5	8,150
Retained earnings	4,621	(72)	4,549
Total stockholders' equity	8,806	(72)	8,734
Total liabilities and stockholders' equity	42,326	20	42,346

The Company adopted Accounting Standards Update No. 2016-01, *Financial Instruments—Overall* (Subtopic 825-10) effective January 1, 2018. This standard makes several changes, including the elimination of the available-for-sale classification of equity investments, and requires equity investments with readily determinable fair values to be measured at fair value with changes in fair value recognized in earnings. The Company reclassified to retained earnings \$7 million of unrealized loss on the Company's investment in Azul, S.A. ("Azul") which was previously classified as an available-for-sale security. See Notes 4 and 7 to the financial statements included in this Part I, Item 1 for additional information.

Accounting for Leases. In February 2016, the FASB amended the FASB Accounting Standards Codification and created a new Topic 842, *Leases*. The guidance requires lessees to recognize a right-of-use asset and a lease liability for all leases (with the exception of short-term leases) at the commencement date and recognize expenses on their income statements similar to the current Topic 840, *Leases*. The new lease standard is effective for fiscal years and interim periods beginning after December 15, 2018, and early adoption is permitted. Lessees and lessors are required to adopt the new lease standard using a modified retrospective approach for all leases existing at or commencing after the date of initial application with an option to use certain practical expedients. We have not finalized our assessment but believe this standard will have a significant impact on our consolidated balance sheets. The standard is not expected to have a material impact on the Company's results of operations or cash flows. The primary effect of adopting the new standard will be to record assets and obligations for our operating leases.

NOTE 2 - REVENUE

The Company presents Passenger revenue, Cargo revenue and Other operating revenue on its income statement. Passenger revenue is recognized when transportation is provided and Cargo revenue is recognized when shipments are delivered. Other operating revenue is recognized as the related performance obligations are satisfied.

The Company sells passenger ticket and related ancillary services for mainline and regional flights primarily via credit cards with payments collected by the Company in advance of the performance of related services. The Company initially records ticket sales in its Advance ticket sales liability, deferring revenue recognition until the travel occurs. For travel that has more than one flight segment, the Company deems each segment as a separate performance obligation and recognizes revenue for each segment as travel occurs. Tickets sold by other airlines where the Company provides the transportation are recognized as passenger revenue at the estimated value to be billed to the other airline when travel is provided. Differences between amounts billed and the actual amounts may be rejected and rebilled or written off if the amount recorded was different from the original estimate. When necessary, the Company records a reserve against its billings and payables with other airlines based on historical experience.

The Company sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, the Company has determined that it is acting as an agent on behalf of the other airlines as they are responsible for their portion of the contract (i.e. transportation of the passenger). The Company, as the agent, recognizes revenue within Other operating revenue at the time of the travel for the net amount representing commission to be retained by the Company for any segments flown by other airlines.

Refundable tickets expire after one year from the date of issuance. Non-refundable tickets generally expire on the date of the intended travel, unless the date is extended by notification from the customer on or before the intended travel date.

The Company records breakage revenue on the travel date for its estimate of tickets that will expire unused. To determine breakage, the Company uses its historical experience with refundable and nonrefundable expired tickets and other facts, such as recent aging trends, program changes and modifications that could affect the ultimate expiration patterns of tickets. Fees charged in association with changes or extensions to non-refundable tickets are considered part of the Company's passenger travel obligation. As such, those fees are deferred at the time of collection and recognized at the time the travel is provided.

United initially capitalizes the costs of selling airline travel tickets and then recognizes those costs as Distribution expense at the time of travel. Passenger ticket costs include credit card fees, travel agency and other commissions paid, as well as global distribution systems booking fees.

Ticket Taxes. Certain governmental taxes are imposed on the Company's ticket sales through a fee included in ticket prices. The Company collects these fees and remits them to the appropriate government agency. These fees are recorded on a net basis and, as a result, are excluded from revenue.

Accounts Receivable. Accounts receivable primarily consist of amounts due from credit card companies, non-airline partners, and cargo transportation customers. We provide an allowance for uncollectible accounts equal to the estimated losses expected to be incurred based on historical write-offs and other specific analyses. Bad debt expense and write-offs were not material for the three and six months ended June 30, 2018 and 2017.

Advance Ticket Sales. Advance ticket sales represent the Company's liability to provide air transportation in the future. In the three and six months ended June 30, 2018, the Company recognized approximately \$2.7 billion and \$2.2 billion, respectively, and in the three and six months ended June 30, 2017, the Company recognized approximately \$2.6 billion and \$2.2 billion respectively, of passenger revenue for tickets that were included in Advance ticket sales at the beginning of those periods. All tickets sold at any given point of time have travel dates extending up to twelve months. As a result, the balance of the Company's Advance ticket sales liability represents activity that will be recognized in the next twelve months.

Frequent Flyer Accounting. United's MileagePlus program builds customer loyalty by offering awards, benefits and services to program participants. Members in this program earn miles for travel on United, United Express, Star Alliance members and certain other airlines that participate in the program. Members can also earn miles by purchasing the goods and services of our network of non-airline partners. We have contracts to sell miles to these partners with the terms extending from one to eight years. These partners include domestic and international credit card issuers, retail merchants, hotels, car rental companies and our participating airline partners. Miles can be redeemed for free (other than taxes and government imposed fees), discounted or upgraded air travel and non-travel awards. Miles expire after 18 months of member account inactivity.

Miles Earned in Conjunction with Travel. When frequent flyers earn miles for flights, the Company recognizes a portion of the ticket sales as revenue when the travel occurs and defers a portion of the ticket sale representing the value of the related miles as a separate performance obligation. The Company determines the estimated selling price of travel and miles as if each element is sold on a separate basis. The total consideration from each ticket sale is then allocated to each of these elements, individually, on a pro rata basis. At the time of travel, the Company records the portion allocated to the miles to Frequent flyer deferred revenue on the Company's consolidated balance sheet and subsequently recognizes it into revenue when miles are redeemed for air travel and non-air travel awards.

The Company's estimated selling price of miles is based on an equivalent ticket value less breakage, which incorporates the expected redemption of miles, as the best estimate of selling price for these miles. The equivalent ticket value is based on the prior 12 months' weighted average equivalent ticket value of similar fares as those used to settle award redemptions while taking into consideration such factors as redemption pattern, cabin class, loyalty status and geographic region. The estimated selling price of miles is adjusted by breakage that considers a number of factors, including redemption patterns of various customer groups. The Company reviews its breakage estimates annually based upon the latest available information regarding redemption and expiration patterns. The Company's estimate of the expected expiration of miles requires significant management judgment. Current and future changes to expiration assumptions or to the expiration policy, or to program rules and program redemption opportunities, may result in material changes to the deferred revenue balance as well as recognized revenues from the program. For the portion of the outstanding miles that we estimate will not be redeemed, we recognize the associated value proportionally as the remaining miles are redeemed.

Co-Brand Agreement. United has a significant contract to sell MileagePlus miles to its co-branded credit card partner Chase Bank USA, N.A. ("Chase"). Chase awards miles to MileagePlus members based on their credit card activity. United identified the following significant separately identifiable performance obligations in the co-brand agreement:

- MileagePlus miles awarded - United has a performance obligation to provide MileagePlus cardholders with miles to be used for air travel and non-travel award redemptions. The Company records Passenger revenue related to the travel awards when the transportation is provided and records Other revenue related to the non-travel awards when the goods or services are delivered. The Company records the cost associated with non-travel awards in Other operating revenue.
- Marketing - United's performance obligation is to provide Chase access to its customer list and the use of its brand. United determined access to its customer list and use of the United brand constitute a single performance obligation by virtue of being highly interdependent and interrelated. Marketing revenue is recorded to Other operating revenue over the term of the co-brand agreement based on customers' use of the MileagePlus credit card.
- Advertising - United has a performance obligation to provide advertising in support of the MileagePlus card in various customer contact points such as United's website, email promotions, direct mail campaigns, airport advertising and in-flight advertising. Advertising revenue is recorded to Other operating revenue as advertising is provided over the term of the co-brand agreement in accordance with customers' use of the MileagePlus credit card.
- Other travel-related benefits - United's performance obligations are comprised of various items such as waived bag fees, seat upgrades, and lounge passes. Lounge passes are recorded to Other operating revenue as customers use the lounge passes. Bag fees and seat upgrades are recorded to Passenger revenue at the time of the associated travel.

The fair value of the separately identifiable performance obligations is determined using management's estimated selling price of each component. The objective of using the estimated selling price based methodology is to determine the price at which we

would transact a sale if the product or service were sold on a stand-alone basis. Accordingly, we determine our best estimate of selling price by considering multiple inputs and methods including, but not limited to, discounted cash flows, brand value, volume discounts, published selling prices, number of miles awarded and number of miles redeemed. The Company estimated the selling prices and volumes over the term of the co-brand agreement in order to determine the allocation of proceeds to each of the components to be delivered. We also evaluate volumes on an annual basis, which may result in a change in the allocation of the estimated consideration from the co-brand agreement on a prospective basis.

Frequent flyer deferred revenue. Miles in MileagePlus members' accounts are combined into one homogeneous pool and are thus not separately identifiable, for award redemption purposes, between miles earned in the current period and those in their beginning balance. Of the miles expected to be redeemed, the Company expects the majority of these miles to be redeemed within two years. The table below presents a roll forward of Frequent flyer deferred revenue (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Total Frequent flyer deferred revenue - beginning balance	\$ 4,937	\$ 4,940	\$ 4,783	\$ 4,889
Total miles awarded	607	531	1,210	1,019
Travel miles redeemed (Passenger revenue)	(519)	(535)	(928)	(933)
Non-travel miles redeemed (Other operating revenue)	(36)	(45)	(76)	(84)
Total Frequent flyer deferred revenue - ending balance	\$ 4,989	\$ 4,891	\$ 4,989	\$ 4,891

In the three and six months ended June 30, 2018, the Company recognized, in Other operating revenue, \$480 million and \$974 million, respectively, related to the marketing, advertising, non-travel miles redeemed (net of related costs) and other travel-related benefits of the mileage revenue associated with our various partner agreements including, but not limited to, our Chase co-brand agreement. The portion related to the MileagePlus miles awarded of the total amounts received is deferred and presented in the table above as an increase to the frequent flyer liability. The Company recognized \$459 million and \$873 million, respectively, in the three and six months ended June 30, 2017, related to those revenues.

Passenger Revenue by Geography. The Company further disaggregates passenger revenue by geographic regions and by mainline versus regional. The following table presents passenger revenue by geographic region and by mainline versus regional for the three and six months ended June 30 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Mainline	\$ 4,395	\$ 4,043	\$ 7,881	\$ 7,315
Regional	1,786	1,615	3,269	2,994
Domestic	6,181	5,658	11,150	10,309
Atlantic	1,824	1,615	3,076	2,732
Pacific	1,103	1,064	2,172	2,117
Latin America	772	814	1,632	1,646
International	3,699	3,493	6,880	6,495
Consolidated	\$ 9,880	\$ 9,151	\$ 18,030	\$ 16,804
Mainline	8,045	7,492	14,661	13,719
Regional	1,835	1,659	3,369	3,085
Consolidated	\$ 9,880	\$ 9,151	\$ 18,030	\$ 16,804

Ancillary Fees. The Company charges fees, separately from ticket sales, for certain ancillary services that are directly related to passengers' travel, such as ticket change fees, baggage fees, inflight amenities fees, and other ticket-related fees. These ancillary fees are part of the travel performance obligation and, as such, are recognized as passenger revenue when the travel occurs. The Company recorded \$555 million and \$1,052 million of ancillary fees within passenger revenue in the three and six months

ended June 30, 2018, respectively, and recorded \$524 million and \$1,002 million of such fees in the three and six months ended June 30, 2017, respectively.

NOTE 3 - EARNINGS PER SHARE

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Earnings available to common stockholders	\$ 684	\$ 821	\$ 831	\$ 920
Basic weighted-average shares outstanding	274.7	306.9	279.3	310.3
Effect of employee stock awards	0.9	0.8	0.9	0.8
Diluted weighted-average shares outstanding	275.6	307.7	280.2	311.1
Earnings per share, basic	\$ 2.49	\$ 2.67	\$ 2.97	\$ 2.96
Earnings per share, diluted	\$ 2.48	\$ 2.67	\$ 2.96	\$ 2.96

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

In the three and six months ended June 30, 2018, UAL repurchased approximately 5.9 million and 14.3 million shares, respectively, of UAL common stock in open market transactions for \$0.4 billion and \$1.0 billion, respectively. As of June 30, 2018, the Company had approximately \$2.0 billion remaining to purchase shares under its share repurchase program. UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws. UAL will repurchase shares of UAL common stock subject to prevailing market conditions, and may discontinue such repurchases at any time. See Part II, Item 2, Unregistered Sales of Equity Securities and Use of Proceeds of this report for additional information.

NOTE 4 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

UAL	Pension and Other Postretirement Liabilities	Investments and Other	Income Taxes	Total
Balance at March 31, 2018	\$ (1,063)	\$ (3)	\$ (48)	\$ (1,114)
Changes in value	1	1	—	2
Amounts reclassified to earnings	14	—	(4)	10
Net change	15	1	(4)	12
Balance at June 30, 2018	\$ (1,048)	\$ (2)	\$ (52)	\$ (1,102)
Balance at December 31, 2017	\$ (1,102)	\$ (6)	\$ (39)	\$ (1,147)
Changes in value	24	(3)	(6)	15
Amounts reclassified to earnings	30	—	(7)	23
Amounts reclassified to retained earnings	—	7	—	7
Net change	54	4	(13)	45
Balance at June 30, 2018	\$ (1,048)	\$ (2)	\$ (52)	\$ (1,102)
Balance at March 31, 2017	\$ (867)	\$ 1	\$ 30	\$ (836)
Changes in value	(7)	(17)	8	(16)
Amounts reclassified to earnings	14	—	(6)	8
Net change	7	(17)	2	(8)
Balance at June 30, 2017	\$ (860)	\$ (16)	\$ 32	\$ (844)
Balance at December 31, 2016	\$ (854)	\$ (1)	\$ 26	\$ (829)
Changes in value	(33)	(17)	18	(32)
Amounts reclassified to earnings	27	2	(12)	17
Net change	(6)	(15)	6	(15)
Balance at June 30, 2017	\$ (860)	\$ (16)	\$ 32	\$ (844)

Details for AOCI Components Reclassified to Income	Three Months Ended June 30,		Six Months Ended June 30,		Affected Line Item in the Statements of Consolidated Operations
	2018	2017	2018	2017	
Pension and other postretirement liabilities					
Amortization of unrecognized losses and prior service cost (a)	\$ 14	\$ 14	\$ 30	\$ 27	Miscellaneous, net
Investments and Other					
Reclassifications of losses into earnings related to fuel derivative contracts	—	—	—	2	Aircraft fuel

(a) This AOCI component is included in the computation of net periodic pension and other postretirement costs (see Note 6 to the financial statements included in this Part I, Item 1 for additional information).

NOTE 5 - INCOME TAXES

The Company's effective tax rate for the three and six months ended June 30, 2018 was 20.2%, and the effective tax rate for the three and six months ended June 30, 2017 was 35.7% and 35.5%, respectively. The effective tax rate represents a blend of federal, state and foreign taxes and included the impact of certain nondeductible items. The effective tax rate for the three and six months ended June 30, 2018 also reflects the reduced federal corporate income tax rate as a result of the enactment of the Tax Cuts and Jobs Act (the "Tax Act") in December 2017 and the impact of a change in the Company's mix of domestic and foreign earnings. We continue to analyze the different aspects of the Tax Act which could potentially affect the provisional estimates that were recorded at December 31, 2017.

NOTE 6 - EMPLOYEE BENEFIT PLANS

Defined Benefit Pension and Other Postretirement Benefit Plans. The Company's net periodic benefit cost includes the following components for the three months ended June 30 (in millions):

	Pension Benefits		Other Postretirement Benefits		Affected Line Item in the Statements of Consolidated Operations
	2018	2017	2018	2017	
	Service cost	\$ 57	\$ 49	\$ 3	
Interest cost	54	55	15	17	Miscellaneous, net
Expected return on plan assets	(73)	(61)	—	(1)	Miscellaneous, net
Amortization of unrecognized (gain) loss and prior service cost (credit)	32	32	(18)	(18)	Miscellaneous, net
Settlement loss	—	1	—	—	Miscellaneous, net
Total	<u>\$ 70</u>	<u>\$ 76</u>	<u>\$ —</u>	<u>\$ 2</u>	

The Company's net periodic benefit cost includes the following components for the six months ended June 30 (in millions):

	Pension Benefits		Other Postretirement Benefits		Affected Line Item in the Statements of Consolidated Operations
	2018	2017	2018	2017	
	Service cost	\$ 114	\$ 98	\$ 6	
Interest cost	108	110	30	34	Miscellaneous, net
Expected return on plan assets	(146)	(121)	—	(1)	Miscellaneous, net
Amortization of unrecognized (gain) loss and prior service cost (credit)	65	63	(35)	(36)	Miscellaneous, net
Settlement loss	—	2	—	—	Miscellaneous, net
Total	<u>\$ 141</u>	<u>\$ 152</u>	<u>\$ 1</u>	<u>\$ 3</u>	

During the three and six months ended June 30, 2018, the Company contributed \$47 million and \$160 million to its U.S. domestic tax-qualified defined benefit pension plans, respectively.

Share-Based Compensation. In the six months ended June 30, 2018, UAL granted share-based compensation awards pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan. These share-based compensation awards include 1.8 million RSUs consisting of 1.1 million time-vested RSUs and 0.7 million performance-based RSUs. The time-vested RSUs vest pro-rata, on February 28th of each year, over a three-year period from the date of grant. These RSUs are generally equity awards settled in stock for domestic employees and liability awards settled in cash for international employees. The cash payments are based on the 20-day average closing price of UAL common stock immediately prior to the vesting date. The performance-based RSUs vest based on the Company's relative improvement in pre-tax margin, as compared to a group of industry peers, for the three years ending December 31, 2020. If this performance condition is achieved, cash payments will be made after the end of the performance period based on the 20-day average closing price of UAL common stock immediately prior to the vesting date. The Company accounts for the performance-based RSUs as liability awards.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Share-based compensation expense	\$ 27	\$ 33	\$ 44	\$ 56

	June 30, 2018	December 31, 2017
	Unrecognized share-based compensation	\$ 86

NOTE 7 - FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

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

	June 30, 2018				December 31, 2017			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,884	\$ 2,884	\$ —	\$ —	\$ 1,482	\$ 1,482	\$ —	\$ —
Short-term investments:								
Corporate debt	958	—	958	—	958	—	958	—
Asset-backed securities	722	—	722	—	753	—	753	—
U.S. government and agency notes	102	—	102	—	113	—	113	—
Certificates of deposit placed through an account registry service ("CDARS")	49	—	49	—	120	—	120	—
Other fixed-income securities	170	—	170	—	188	—	188	—
Other investments measured at net asset value ("NAV")	186	—	—	—	184	—	—	—
Restricted cash	107	107	—	—	109	109	—	—
Long-term investments:								
Equity securities	147	147	—	—	99	99	—	—
Enhanced equipment trust certificates ("EETC")	19	—	—	19	22	—	—	22

Available-for-sale investment maturities - The short-term investments shown in the table above are classified as available-for-sale, with the exception of investments measured at NAV. As of June 30, 2018, asset-backed securities have remaining maturities of less than one year to approximately 16 years, corporate debt securities have remaining maturities of less than one year to approximately three years and CDARS have maturities of less than one year. U.S. government and other securities have maturities of less than one year to approximately 13 years. The EETC securities mature in 2019.

Restricted cash - Restricted cash primarily includes collateral for letters of credit and collateral associated with obligations for facility leases and workers' compensation.

Equity securities - Equity securities represent United's investment in Azul. In April 2018, through a wholly-owned subsidiary, the Company invested \$138 million in Azul thus increasing its preferred equity stake to approximately 8% (approximately 2% of the total capital stock of Azul). The Company recognizes changes to the fair market value of its equity investment in Azul in Miscellaneous, net in its statements of consolidated operations.

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

	Fair Value of Debt by Fair Value Hierarchy Level									
	June 30, 2018					December 31, 2017				
	Carrying Amount	Fair Value				Carrying Amount	Fair Value			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3		
Long-term debt	\$ 13,347	\$ 13,443	\$ —	\$ 9,879	\$ 3,564	\$ 13,268	\$ 13,787	\$ —	\$ 10,115	\$ 3,672

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

Description	Fair Value Methodology
<i>Cash and cash equivalents</i>	The carrying amounts approximate fair value because of the short-term maturity of these assets.
<i>Short-term investments, Equity securities, EETC and Restricted cash</i>	Fair value is based on (a) the trading prices of the investment or similar instruments, (b) an income approach, which uses valuation techniques to convert future amounts into a single present amount based on current market expectations about those future amounts when observable trading prices are not available, or (c) broker quotes obtained by third-party valuation services.
<i>Other investments measured at NAV</i>	In accordance with the relevant accounting standards, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. The investments measured using NAV are shares of mutual funds that invest in fixed-income instruments including bonds, debt securities, and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The Company can redeem its shares at any time at NAV subject to a three-day settlement period.
<i>Long-term debt</i>	Fair values were based on either market prices or the discounted amount of future cash flows using our current incremental rate of borrowing for similar liabilities.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Commitments. As of June 30, 2018, United had firm commitments and options to purchase aircraft from The Boeing Company ("Boeing") and Airbus S.A.S. ("Airbus") presented in the table below:

Aircraft Type	Number of Firm Commitments (a)
Airbus A350	45
Boeing 737 MAX	155
Boeing 777-300ER	1
Boeing 787	18

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

The aircraft listed in the table above are scheduled for delivery through 2027. To the extent the Company and the aircraft manufacturers with whom the Company has existing orders for new aircraft agree to modify the contracts governing those orders, the amount and timing of the Company's future capital commitments could change. For the remainder of 2018, the Company expects to take delivery of three Boeing 787 aircraft, four Boeing 737 MAX aircraft, one Boeing 777-300ER aircraft and three used Boeing 767-300ER aircraft. In July 2018, United entered into an agreement to purchase 25 new Embraer E175 aircraft with expected delivery dates scheduled in 2019. United also has an agreement to purchase 20 used Airbus A319 aircraft with expected delivery dates scheduled in 2020 and 2021.

The table below summarizes United's commitments as of June 30, 2018, which primarily relate to the acquisition of aircraft and related spare engines, aircraft improvements and include other capital purchase commitments. Any new firm aircraft orders, including through the exercise of purchase options and purchase rights, will increase the total future capital commitments of the Company.

	(in billions)
Last six months of 2018	\$ 1.7
2019	3.3
2020	3.0
2021	2.8
2022	1.8
After 2022	9.8
	<u>\$ 22.4</u>

Facility and Other Operating Leases. In March 2018, United entered into a new Airline Use and Lease Agreement at Chicago O'Hare International Airport ("Chicago O'Hare") with the City of Chicago with a lease term of approximately 15 years, effective May 12, 2018 through December 31, 2033. In the second quarter of 2018, United entered into several new ground and facility leases at Chicago O'Hare, effective May 12, 2018, for hangars, a ground equipment maintenance building, and employee parking with lease terms ranging from 15 years to 30 years.

The table below summarizes the Company's scheduled future minimum lease payments under facility operating leases having initial or remaining noncancelable lease terms of more than one year as of June 30, 2018 (in millions):

	Facility and Other Operating Leases
Last six months of 2018	\$ 689
2019	1,244
2020	1,338
2021	1,104
2022	966
After 2022	7,934
	<u>\$ 13,275</u>

Guarantees. As of June 30, 2018, United is the guarantor of approximately \$2.0 billion in aggregate principal amount of tax-exempt special facilities revenue bonds and interest thereon. These bonds, issued by various airport municipalities, are payable solely from rentals paid under long-term agreements with the respective governing bodies. The leasing arrangements associated with approximately \$1.4 billion of these obligations are accounted for as operating leases with the associated expense recorded on a straight-line basis resulting in ratable accrual of the lease obligation over the expected lease term. The leasing arrangements associated with approximately \$454 million of these obligations are accounted for as capital leases. All of these bonds are due between 2019 and 2038.

As of June 30, 2018, United is the guarantor of \$151 million of aircraft mortgage debt issued by one of United's regional carriers. The aircraft mortgage debt is subject to similar increased cost provisions as described above for the Company's debt, and the Company would potentially be responsible for those costs under the guarantees.

Increased Cost Provisions. In the Company's financing transactions that include loans, the Company typically agrees to reimburse lenders for any reduced returns with respect to the loans due to any change in capital requirements and, in the case of loans in which the interest rate is based on the London Interbank Offered Rate, for certain other increased costs that the lenders incur in carrying these loans as a result of any change in law, subject, in most cases, to obligations of the lenders to take certain limited steps to mitigate the requirement for, or the amount of, such increased costs. At June 30, 2018, the Company had \$3.3 billion of floating rate debt and \$44 million of fixed rate debt with remaining terms of up to 11 years that are subject to these increased cost provisions. In several financing transactions involving loans or leases from non-U.S. entities, with remaining terms of up to 11 years and an aggregate balance of \$3.2 billion, the Company bears the risk of any change in tax laws that would subject loan or lease payments thereunder to non-U.S. entities to withholding taxes, subject to customary exclusions.

Labor Negotiations. As of June 30, 2018, United had approximately 91,400 employees, of whom approximately 80% were represented by various U.S. labor organizations. UNITE HERE is attempting to organize United's Catering Operations employees, who are currently unrepresented, and filed an application to do so with the National Mediation Board on January 24, 2018.

NOTE 9 - DEBT

As of June 30, 2018, a substantial portion of the Company's assets, principally aircraft, certain route authorities and airport slots, was pledged under various loan and other agreements. As of June 30, 2018, UAL and United were in compliance with their respective debt covenants. In May 2018, the Company's Amended and Restated Credit and Guaranty Agreement (as amended, the "2017 Credit Agreement") was amended to reduce the interest rate on the term loan by 0.25%. As of June 30, 2018, United had its entire capacity of \$2.0 billion available under the revolving credit facility of the 2017 Credit Agreement.

EETCs. In February and May 2018, United created three new EETC pass-through trusts, each of which issued pass-through certificates. The proceeds of the issuance of the pass-through certificates are used to purchase equipment notes issued by United and secured by its aircraft. The Company records the debt obligation upon issuance of the equipment notes rather than upon the initial issuance of the pass-through certificates. The pass-through certificates represent fractional undivided interests in the respective pass-through trusts and are not obligations of United. The payment obligations under the equipment notes are those of United. Proceeds received from the sale of pass-through certificates are initially held by a depository in escrow for the benefit of the certificate holders until United issues equipment notes to the trust, which purchases such notes with a portion of the escrowed funds. These escrowed funds are not guaranteed by United and are not reported as debt on our consolidated balance sheet because the proceeds held by the depository are not United's assets. Certain details of the pass-through trusts with proceeds received from issuance of debt in 2018 are as follows (in millions, except stated interest rate):

EETC Date	Class	Principal	Final expected distribution date	Stated interest rate	Total proceeds received from issuance of debt during 2018 and recorded as debt as of June 30, 2018
February 2018	AA	\$ 677	March 2030	3.50%	\$ 677
February 2018	A	258	March 2030	3.70%	258
May 2018	B	226	March 2026	4.60%	226
		<u>\$ 1,161</u>			<u>\$ 1,161</u>

The table below presents the Company's contractual principal payments (not including debt discount or debt issuance costs) at June 30, 2018 under then-outstanding long-term debt agreements (in millions):

Last six months of 2018	\$ 394
2019	1,244
2020	1,242
2021	1,230
2022	1,565
After 2022	7,838
	<u>\$ 13,513</u>

NOTE 10 - SPECIAL CHARGES

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

Operating:	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Impairment of assets	\$ 111	\$ —	\$ 134	\$ —
Severance and benefit costs	11	41	25	78
(Gains) losses on sale of assets and other special charges	7	3	10	17
Special charges	129	44	169	95
Income tax benefit related to special charges	(29)	(16)	(38)	(34)
Total special charges, net of tax	<u>\$ 100</u>	<u>\$ 28</u>	<u>\$ 131</u>	<u>\$ 61</u>

In May 2018, the Brazil–United States open skies agreement was ratified, which provides air carriers with unrestricted access between the United States and Brazil. The Company determined that the approval of the open skies agreement impaired the entire value of its Brazil route authorities because the agreement removes all limitations or reciprocity requirements for flights between the United States and Brazil. Accordingly, the Company recorded a \$105 million special charge (\$82 million net of taxes) to write off the entire value of the intangible asset associated with its Brazil routes. This asset is not part of any collateral pledged against any of the Company's borrowings. The Company continues to maintain its slot assets related to Brazil since airport access is still restricted by slot allocations that are limited by airport facility constraints. For the three and six months ended June 30, 2018, the Company also recorded \$6 million (\$5 million net of taxes) and \$29 million (\$22 million net of taxes), respectively, of fair value adjustments related to aircraft purchased off lease and other impairments related to certain fleet types and international slots no longer in use.

During the three and six months ended June 30, 2018, the Company recorded severance and benefit costs related to a voluntary early-out program for its technicians and related employees represented by the International Brotherhood of Teamsters of \$6 million (\$4 million net of taxes) and \$14 million (\$11 million net of taxes), respectively. In the first quarter of 2017, approximately 1,000 technicians and related employees elected to voluntarily separate from the Company and will receive a severance payment, with a maximum value of \$100,000 per participant, based on years of service, with retirement dates through 2018. Also during the three and six months ended June 30, 2018, the Company recorded other management severance of \$5 million (\$4 million net of taxes) and \$11 million (\$8 million net of taxes), respectively.

During the three and six months ended June 30, 2017, the Company recorded \$36 million (\$23 million net of taxes) and \$57 million (\$37 million net of taxes), respectively, of severance and benefit costs related to the voluntary early-out program for its technicians and related employees, and \$5 million (\$3 million net of taxes) and \$21 million (\$13 million net of taxes), respectively, of management severance.

During the three and six months ended June 30, 2018, the Company recorded \$7 million (\$5 million net of taxes) and \$10 million (\$8 million net of taxes), respectively, of other special charges related primarily to contract termination of regional aircraft operations in Guam.

Accrual Activity

The severance-related accrual as of June 30, 2018 is primarily related to severance and other compensation expense associated with voluntary employee early retirement programs and is expected to be mostly paid in the second half of 2018. The accrual balance for future lease payments on permanently grounded aircraft as of June 30, 2018 is expected to be mostly paid through 2025. Activity related to these accruals is as follows (in millions):

	Severance and Benefits	Permanently Grounded Aircraft
Balance at December 31, 2017	\$ 37	\$ 22
Accrual	25	—
Payments	(34)	(2)
Balance at June 30, 2018	<u>\$ 28</u>	<u>\$ 20</u>
	Severance and Benefits	Permanently Grounded Aircraft
Balance at December 31, 2016	\$ 14	\$ 41
Accrual	78	—
Payments	(65)	(12)
Balance at June 30, 2017	<u>\$ 27</u>	<u>\$ 29</u>

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

Overview

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

The Company transports people and cargo through its mainline operations, which utilize jet aircraft with at least 118 seats, and regional operations, which utilize smaller aircraft that are operated under contract by United Express carriers. The Company serves virtually every major market around the world, either directly or through participation in Star Alliance[®], the world's largest airline alliance. UAL, through United and its regional carriers, operates approximately 4,600 flights a day to 357 airports across five continents.

Second Quarter Highlights

- Second quarter 2018 net income was \$684 million, or \$2.48 diluted earnings per share, as compared to net income of \$821 million, or diluted earnings per share of \$2.67, in the second quarter of 2017.
- Passenger revenue increased 8.0% to \$9.9 billion during the second quarter of 2018 as compared to the second quarter of 2017.
- Second quarter 2018 aircraft fuel cost increased \$721 million, 43.2% year-over-year.
- In the three months ended June 30, 2018, UAL repurchased approximately 5.9 million shares of its common stock in open market transactions for \$407 million. As of June 30, 2018, the Company had approximately \$2.0 billion remaining to purchase shares under its share repurchase program.
- Consolidated traffic increased 6.4% and consolidated capacity increased 4.8% during the second quarter of 2018 as compared to the second quarter of 2017. The Company's load factor for the second quarter of 2018 was 84.8%.
- Completed the best second-quarter on-time departure performance in United's history.

Outlook

In 2018, the Company expects its consolidated available seat miles to grow between 4.5% and 5.0% year-over-year. Most of this growth will be concentrated in our domestic network, especially in our mid-continent hubs. We believe greater scale and connectivity at our hubs reinforces our relevance and value proposition to our customers. Rebanking at our hubs is expected to drive significant additional connection opportunities. We will also expand flights in non-peak times of the year to more efficiently use our aircraft and facilities with the objective of driving an increase in profitability.

The price of jet fuel remains volatile. Based on projected fuel consumption in 2018, a one dollar change in the price of a barrel of crude oil would change the Company's annual fuel expense by approximately \$98 million.

RESULTS OF OPERATIONS

The following discussion provides an analysis of our results of operations and reasons for material changes therein for the three months ended June 30, 2018 as compared to the corresponding period in 2017.

Second Quarter 2018 Compared to Second Quarter 2017

The Company recorded net income of \$684 million in the second quarter of 2018 as compared to net income of \$821 million in the second quarter of 2017. The Company considers a key measure of its performance to be operating income, which was \$1.2 billion for the second quarter of 2018, as compared to \$1.4 billion for the second quarter of 2017, a \$276 million decrease year-over-year. Significant components of the Company's operating results for the three months ended June 30 are as follows (in millions, except percentage changes):

	2018	2017	Increase (Decrease)	% Change
Operating revenue	\$ 10,777	\$ 10,008	\$ 769	7.7
Operating expense	9,616	8,571	1,045	12.2
Operating income	1,161	1,437	(276)	(19.2)
Nonoperating expense	(304)	(160)	144	90.0
Income tax expense	173	456	(283)	(62.1)
Net income	<u>\$ 684</u>	<u>\$ 821</u>	<u>\$ (137)</u>	<u>(16.7)</u>

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

	2018	2017	Increase (Decrease)	% Change
Passengers (thousands) (a)	41,058	38,247	2,811	7.3
Revenue passenger miles ("RPMs") (millions) (b)	59,945	56,356	3,589	6.4
Available seat miles ("ASMs") (millions) (c)	70,702	67,467	3,235	4.8
Passenger load factor (d)	84.8%	83.5%	1.3 pts.	N/A
Passenger revenue per available seat mile ("PRASM") (cents)	13.97	13.56	0.41	3.0
Average yield per revenue passenger mile ("Yield") (cents) (e)	16.48	16.24	0.24	1.5
Cost per available seat mile ("CASM") (cents)	13.60	12.70	0.90	7.1
Average price per gallon of fuel, including fuel taxes	\$ 2.26	\$ 1.63	\$ 0.63	38.7
Fuel gallons consumed (millions)	1,058	1,023	35	3.4
Average full-time equivalent employees	86,700	86,000	700	0.8

(a) The number of revenue passengers measured by each flight segment flown.

(b) The number of scheduled miles flown by revenue passengers.

(c) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.

(d) Revenue passenger miles divided by available seat miles.

(e) The average passenger revenue received for each revenue passenger mile flown.

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

	2018	2017	Increase (Decrease)	% Change
Passenger revenue	\$ 9,880	\$ 9,151	\$ 729	8.0
Cargo	314	273	41	15.0
Other operating revenue	583	584	(1)	(0.2)
Total operating revenue	<u>\$ 10,777</u>	<u>\$ 10,008</u>	<u>\$ 769</u>	7.7

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

	Domestic	Atlantic	Pacific	Latin	Consolidated
Increase (decrease) from 2017:					
Passenger revenue (in millions)	\$ 523	\$ 209	\$ 39	\$ (42)	\$ 729
Passenger revenue	9.2%	12.9%	3.7 %	(5.2)%	8.0%
Average fare per passenger	—%	1.3%	12.7 %	0.4 %	0.6%
Yield	1.3%	0.9%	4.3 %	(4.2)%	1.5%
PRASM	1.7%	7.9%	3.4 %	(2.9)%	3.0%
Passengers	9.2%	11.5%	(8.0)%	(5.5)%	7.3%
RPMs (traffic)	7.8%	11.9%	(0.6)%	(1.0)%	6.4%
ASMs (capacity)	7.4%	4.7%	0.2 %	(2.3)%	4.8%
Passenger load factor (points)	0.3	5.2	(0.7)	1.1	1.3

Passenger revenue in the second quarter of 2018 increased \$729 million, or 8.0%, as compared to the year-ago period primarily due to a 6.4% increase in traffic and a 1.3 point increase in load factor. Second quarter 2018 PRASM and yield increased 3.0% and 1.5%, respectively, compared to the second quarter of 2017, primarily as a result of improved close in demand in the domestic markets and overall demand improvements in the Atlantic markets.

Cargo revenue increased \$41 million, or 15.0%, in the second quarter of 2018 as compared to the year-ago period primarily due to higher yields and higher international freight volume.

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

	2018	2017	Increase (Decrease)	% Change
Salaries and related costs	\$ 2,878	\$ 2,842	\$ 36	1.3
Aircraft fuel	2,390	1,669	721	43.2
Regional capacity purchase	681	549	132	24.0
Landing fees and other rent	603	541	62	11.5
Depreciation and amortization	557	536	21	3.9
Aircraft maintenance materials and outside repairs	438	472	(34)	(7.2)
Distribution expenses	393	385	8	2.1
Aircraft rent	119	152	(33)	(21.7)
Special charges	129	44	85	NM
Other operating expenses	1,428	1,381	47	3.4
Total operating expenses	<u>\$ 9,616</u>	<u>\$ 8,571</u>	<u>\$ 1,045</u>	12.2

Salaries and related costs increased \$36 million, or 1.3%, in the second quarter of 2018 as compared to the year-ago period primarily due to contractually higher pay rates and benefit expenses driven by collective bargaining agreements, and a 0.8% increase in average full-time equivalent employees.

Aircraft fuel expense increased \$721 million, or 43.2%, in the second quarter of 2018 as compared to the year-ago period primarily due to a 38.7% increase in the average price per gallon of aircraft fuel and a 4.8% increase in capacity.

Regional capacity purchase increased \$132 million, or 24.0%, in the second quarter of 2018 as compared to the year-ago period primarily due to increased regional flying related to the Company's initiative to improve connectivity at its domestic hubs, as well as rate increases under various capacity purchase agreements with regional carriers.

Landing fees and other rent increased \$62 million, or 11.5%, in the second quarter of 2018 as compared to the year-ago period due to increased rates and capacity growth.

Aircraft maintenance materials and outside repairs decreased \$34 million, or 7.2%, in the second quarter of 2018 as compared to the year-ago period primarily due to lower rates and volume mix of maintenance events.

Aircraft rent decreased \$33 million, or 21.7%, in the second quarter of 2018 as compared to the year-ago period, primarily due to the purchase of leased aircraft and lease term expirations.

Other operating expenses increased \$47 million, or 3.4%, in the second quarter of 2018 as compared to the year-ago period due to increases in purchased services related to our airport operations, technology initiatives, and trucking and handling of cargo shipments.

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

	2018	2017
Impairment of assets	\$ 111	\$ —
Severance and benefit costs	11	41
(Gains) losses on sale of assets and other special charges	7	3
Special charges	<u>\$ 129</u>	<u>\$ 44</u>

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

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

	2018	2017	Increase (Decrease)	% Change
Interest expense	\$ (177)	\$ (167)	\$ 10	6.0
Interest capitalized	14	21	(7)	(33.3)
Interest income	25	13	12	92.3
Miscellaneous, net	(166)	(27)	139	NM
Total	<u>\$ (304)</u>	<u>\$ (160)</u>	\$ 144	90.0

Miscellaneous, net includes, in the second quarter of 2018, a \$135 million loss for the change in market value of the Company's equity investment in Azul, S.A. ("Azul").

Income Taxes. See Note 5 to the financial statements included in Part I, Item 1 of this report for information related to income taxes.

First Six Months 2018 Compared to First Six Months 2017

The Company recorded net income of \$831 million in the first six months of 2018 as compared to net income of \$920 million in the first six months of 2017. The Company considers a key measure of its performance to be operating income, which was \$1.4 billion for the first six months of 2018, as compared to \$1.8 billion for the first six months of 2017, a \$320 million decrease year-over-year. Significant components of the Company's operating results for the six months ended June 30 are as

follows (in millions, except percentage changes):

	2018	2017	Increase (Decrease)	% Increase (Decrease)
Operating revenue	\$ 19,809	\$ 18,434	\$ 1,375	7.5
Operating expense	18,372	16,677	1,695	10.2
Operating income	1,437	1,757	(320)	(18.2)
Nonoperating expense	(396)	(330)	66	20.0
Income tax expense	210	507	(297)	(58.6)
Net income	\$ 831	\$ 920	\$ (89)	(9.7)

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

	2018	2017	Increase (Decrease)	% Increase (Decrease)
Passengers (thousands) (a)	75,553	71,352	4,201	5.9
RPMs (millions) (b)	109,794	103,967	5,827	5.6
ASMs (millions) (c)	132,679	127,275	5,404	4.2
Passenger load factor (d)	82.8%	81.7%	1.1 pts.	N/A
PRASM (cents)	13.59	13.20	0.39	3.0
Yield (cents) (e)	16.42	16.16	0.26	1.6
CASM (cents)	13.85	13.10	0.75	5.7
Average price per gallon of fuel, including fuel taxes	\$ 2.19	\$ 1.67	\$ 0.52	31.1
Fuel gallons consumed (millions)	1,990	1,933	57	2.9
Average full-time equivalent employees	86,200	85,600	600	0.7

(a) The number of revenue passengers measured by each flight segment flown.

(b) The number of scheduled miles flown by revenue passengers.

(c) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.

(d) Revenue passenger miles divided by available seat miles.

(e) The average passenger revenue received for each revenue passenger mile flown.

Operating Revenue

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

	2018	2017	Increase (Decrease)	% Change
Passenger revenue	\$ 18,030	\$ 16,804	\$ 1,226	7.3
Cargo	607	511	96	18.8
Other operating revenue	1,172	1,119	53	4.7
Total operating revenue	\$ 19,809	\$ 18,434	\$ 1,375	7.5

The table below presents selected passenger revenue and operating data, broken out by geographic region, expressed as year-over-year changes for the six months ended June 30, 2018 compared to the six months ended June 30, 2017:

	Domestic	Atlantic	Pacific	Latin	Consolidated
Increase (decrease) from 2017:					
Passenger revenue (in millions)	\$ 841	\$ 344	\$ 55	\$ (14)	\$ 1,226
Passenger revenue	8.2%	12.6%	2.6 %	(0.9)%	7.3%
Average fare per passenger	0.8%	1.3%	8.8 %	2.9 %	1.3%
Yield	1.7%	1.0%	1.3 %	(0.6)%	1.6%
PRASM	1.7%	8.2%	0.9 %	1.1 %	3.0%
Passengers	7.3%	11.1%	(5.7)%	(3.7)%	5.9%
RPMs (traffic)	6.3%	11.5%	1.3 %	(0.3)%	5.6%
ASMs (capacity)	6.4%	4.0%	1.6 %	(1.9)%	4.2%
Passenger load factor (points)	(0.1)	5.2	(0.2)	1.5	1.1

Consolidated passenger revenue in the first six months of 2018 increased \$1.2 billion, or 7.3%, as compared to the year-ago period primarily due to a 5.6% increase in traffic. Consolidated PRASM and consolidated yield for the first six months of 2018 increased 3.0% and 1.6%, respectively, as compared to the first six months of 2017 as a result of improved close in demand in the domestic markets and overall demand improvements in the Atlantic markets.

Cargo revenue increased \$96 million, or 18.8%, in the first six months of 2018 as compared to the year-ago period primarily due to higher volumes and yield on international freight.

Operating Expenses

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

	2018	2017	Increase (Decrease)	% Change
Salaries and related costs	\$ 5,604	\$ 5,478	\$ 126	2.3
Aircraft fuel	4,355	3,229	1,126	34.9
Regional capacity purchase	1,300	1,085	215	19.8
Landing fees and other rent	1,161	1,085	76	7.0
Depreciation and amortization	1,098	1,054	44	4.2
Aircraft maintenance materials and outside repairs	878	926	(48)	(5.2)
Distribution expenses	735	704	31	4.4
Aircraft rent	246	331	(85)	(25.7)
Special charges	169	95	74	NM
Other operating expenses	2,826	2,690	136	5.1
Total operating expenses	<u>\$ 18,372</u>	<u>\$ 16,677</u>	<u>\$ 1,695</u>	10.2

Salaries and related costs increased \$126 million, or 2.3%, in the first six months of 2018 as compared to the year-ago period primarily due to higher pay rates and benefit expenses driven by collective bargaining agreements, and a 0.7% increase in average full-time equivalent employees, partially offset by a decrease in employee incentive programs expense.

Aircraft fuel increased \$1.1 billion, or 34.9%, in the first six months of 2018 as compared to the year-ago period primarily due to a 31.1% increase in the average price per gallon of aircraft fuel and a 4.2% increase in capacity.

Regional capacity purchase increased \$215 million, or 19.8%, in the first six months of 2018 as compared to the year-ago period primarily due to increased regional flying related to the Company's initiative to improve connectivity at its domestic hubs, as well as rate increases under various capacity purchase agreements with regional carriers.

Landing fees and other rent increased \$76 million, or 7.0%, in the first six months of 2018 as compared to the year-ago period, primarily due to increased rates and capacity growth.

Aircraft rent decreased \$85 million, or 25.7%, in the first six months of 2018 as compared to the year-ago period, primarily due to the purchase of leased aircraft and lease term expirations.

Other operating expenses increased \$136 million, or 5.1%, in the first six months of 2018 as compared to the year-ago period primarily due to increases in purchased services related to our airport operations, technology initiatives, trucking and handling of cargo shipments, and increased volumes of onboard food and beverages.

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

	2018	2017
Impairment of assets	\$ 134	\$ —
Severance and benefit costs	25	78
(Gains) losses on sale of assets and other special charges	10	17
Special charges	<u>\$ 169</u>	<u>\$ 95</u>

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

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

	2018	2017	Increase (Decrease)	% Change
Interest expense	\$ (353)	\$ (329)	\$ 24	7.3
Interest capitalized	33	44	(11)	(25.0)
Interest income	42	24	18	75.0
Miscellaneous, net	(118)	(69)	49	71.0
Total	<u>\$ (396)</u>	<u>\$ (330)</u>	<u>\$ 66</u>	<u>20.0</u>

Miscellaneous, net includes, in the first six months of 2018, a \$90 million loss for the change in market value of the Company's equity investment in Azul, and \$22 million of non-service cost component of the pension and postretirement net periodic benefit cost as compared to \$51 million in the year-ago period.

Income Taxes. See Note 5 to the financial statements included in Part I, Item 1 of this report for information related to income taxes.

LIQUIDITY AND CAPITAL RESOURCES

Current Liquidity

As of June 30, 2018, the Company had \$5.1 billion in unrestricted cash, cash equivalents and short-term investments, as compared to \$3.8 billion at December 31, 2017. The Company had its entire commitment capacity of \$2.0 billion under the revolving credit facility of the the Amended and Restated Credit and Guaranty Agreement (as amended, the "2017 Credit Agreement") available for borrowings. In May 2018, the 2017 Credit Agreement was amended to reduce the interest rate on the term loan by 0.25%. At June 30, 2018, the Company also had \$107 million of restricted cash and cash equivalents, which is primarily collateral for letters of credit and collateral associated with obligations for facility leases and workers' compensation.

We have a significant amount of fixed obligations, including debt, aircraft leases and financings, leases of airport property and other facilities, and pension funding obligations. At June 30, 2018, the Company had approximately \$14.5 billion of debt and capital lease obligations, including \$1.0 billion that will become due in the next 12 months. In addition, we have substantial noncancelable commitments for capital expenditures, including the acquisition of certain new aircraft and related spare engines. As of June 30, 2018, our current liabilities exceeded our current assets by approximately \$5.2 billion. However, approximately \$8.0 billion of our current liabilities are related to our advance ticket sales and frequent flyer deferred revenue, both of which largely represent revenue to be recognized for travel in the near future and not actual cash outlays. The deficit in working capital does not have an adverse impact to our cash flows, liquidity or operations.

As of June 30, 2018, United had firm commitments and options to purchase aircraft from The Boeing Company ("Boeing") and Airbus S.A.S. ("Airbus") presented in the table below:

Aircraft Type	Number of Firm Commitments (a)
Airbus A350	45
Boeing 737 MAX	155
Boeing 777-300ER	1
Boeing 787	18

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

The aircraft listed in the table above are scheduled for delivery through 2027. To the extent the Company and the aircraft manufacturers with whom the Company has existing orders for new aircraft agree to modify the contracts governing those orders, the amount and timing of the Company's future capital commitments could change. For the remainder of 2018, the Company expects to take delivery of three Boeing 787 aircraft, four Boeing 737 MAX aircraft, one Boeing 777-300ER aircraft and three used Boeing 767-300ER aircraft. In July 2018, United entered into an agreement to purchase 25 new Embraer E175 aircraft with expected delivery dates scheduled in 2019. United also has an agreement to purchase 20 used Airbus A319 aircraft with expected delivery dates scheduled in 2020 and 2021.

As of June 30, 2018, UAL and United have total capital commitments primarily related to the acquisition of aircraft and related spare engines, aircraft improvements and include other capital purchase commitments for approximately \$22.4 billion, of which approximately \$1.7 billion, \$3.3 billion, \$3.0 billion, \$2.8 billion, \$1.8 billion and \$9.8 billion are due in the last six months of 2018 and for the full year for 2019, 2020, 2021, 2022 and thereafter, respectively. Any new firm aircraft orders, including through the exercise of purchase options and purchase rights, will increase the total future capital commitments of the Company.

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

As of June 30, 2018, a substantial portion of the Company's assets, principally aircraft, certain route authorities and airport slots, was pledged under various loan and other agreements. We must sustain our profitability and/or access the capital markets to meet our significant long-term debt and capital lease obligations and future commitments for capital expenditures, including the acquisition of aircraft and related spare engines.

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

	S&P	Moody's	Fitch
UAL	BB	Ba2	BB
United	BB	*	BB

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

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

Sources and Uses of Cash

Operating Activities. Cash flow provided by operations was \$4.2 billion for the six months ended June 30, 2018 compared to \$2.1 billion in the same period in 2017. Operating income for the first six months of 2018 was \$1.4 billion, compared to \$1.8 billion in 2017. Changes in working capital items increased \$2.3 billion year-over-year, which accounted for the increase in cash flow from operations, including a \$0.5 billion increase in advance ticket sales associated with our overall traffic growth, a \$0.5 billion increase in mileage sales to our co-branded credit card partner due to full utilization of the pre-purchased miles in 2017, a \$0.4 billion increase related to timing of accounts payable, a \$0.3 billion decrease in employee incentive payments in the first six months of 2018 as compared to the year-ago period, a \$0.2 billion increase in prepayments in the first six months of 2017 and \$0.4 billion increase in other accrued liabilities.

Investing Activities. Capital expenditures were approximately \$1.7 billion and \$1.8 billion in the six months ended June 30, 2018 and 2017, respectively. Capital expenditures for the six months ended June 30, 2018 were primarily attributable to additions of new aircraft, aircraft improvements, and increases in facility and information technology assets.

Financing Activities. During the six months ended June 30, 2018, the Company made debt and capital lease payments of \$1.4 billion.

In the six months ended June 30, 2018, United received and recorded \$1.2 billion of proceeds as debt from the EETC pass-through trusts established in February and May 2018. See Note 9 to the financial statements included in Part I, Item 1 of this report for additional information.

Share Repurchase Programs. In the three and six months ended June 30, 2018, UAL repurchased approximately 5.9 million and 14.3 million shares, respectively, of UAL common stock in open market transactions for \$0.4 billion and \$1.0 billion, respectively. As of June 30, 2018, the Company had approximately \$2.0 billion remaining to purchase shares under its share repurchase program.

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

Commitments, Contingencies and Liquidity Matters. As described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the "2017 Annual Report"), the Company's liquidity may be adversely impacted by a variety of factors, including, but not limited to, pension funding obligations, reserve requirements associated with credit card processing agreements, guarantees, commitments and contingencies.

See the 2017 Annual Report and Notes 6, 8, 9 to the financial statements contained in Part I, Item 1 of this report for additional information.

CRITICAL ACCOUNTING POLICIES

See "Critical Accounting Policies" in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2017 Annual Report. Also see Note 2 to the financial statements contained in Part I, Item 1 of this report for a discussion of the Company's updated accounting policies on Revenue Recognition and Frequent Flyer Accounting.

FORWARD-LOOKING INFORMATION

Certain statements throughout Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report are forward-looking and thus reflect the Company's current expectations and beliefs with respect to certain current and future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to the Company's operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as "expects," "will," "plans," "anticipates," "indicates," "believes," "estimates," "forecast," "guidance," "outlook," "goals" and similar expressions are intended to identify forward-looking statements.

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

Our actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aircraft fuel and energy refining capacity in relevant markets); economic and political instability and other risks of doing business globally, including political developments that may impact our operations in certain countries; demand for travel and the impact that global economic and political conditions have on customer travel patterns; competitive pressures on pricing and on demand; demand for transportation in the markets in which we operate; our capacity decisions and the capacity decisions of our competitors; the effects of any hostilities, act of war or terrorist attack; the effects of any technology failures or cybersecurity breaches; the impact of regulatory, investigative and legal proceedings and legal compliance risks; disruptions to our regional network; the ability of other air carriers with whom we have alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; costs associated with any modification or termination of our aircraft orders; potential reputational or other impact from adverse events in our operations, the operations of our regional carriers or the operations of our code share partners; our ability to attract and retain customers; our ability to execute our operational plans and revenue-generating initiatives, including optimizing our revenue; our ability to

control our costs, including realizing benefits from our resource optimization efforts, cost reduction initiatives and fleet replacement programs; the impact of any management changes; our ability to cost-effectively hedge against increases in the price of aircraft fuel if we decide to do so; any potential realized or unrealized gains or losses related to any fuel or currency hedging programs; labor costs; our ability to maintain satisfactory labor relations and the results of any collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; an outbreak of a disease that affects travel demand or travel behavior; U.S. or foreign governmental legislation, regulation and other actions (including Open Skies agreements and environmental regulations); industry consolidation or changes in airline alliances; our ability to comply with the terms of our various financing arrangements; the costs and availability of financing; our ability to maintain adequate liquidity; the costs and availability of aviation and other insurance; weather conditions; our ability to utilize our net operating losses to offset future taxable income; the impact of changes in tax laws; the success of our investments in airlines in other parts of the world; and other risks and uncertainties set forth under Part I, Item 1A., Risk Factors, of our 2017 Annual Report, as well as other risks and uncertainties set forth from time to time in the reports we file with the U.S. Securities and Exchange Commission (the "SEC").

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

There have been no material changes in market risk from the information provided in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in our 2017 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Control and Procedures

UAL and United each maintain controls and procedures that are designed to ensure that information required to be disclosed in the reports filed or submitted by UAL and United to the SEC is recorded, processed, summarized and reported, within the time periods specified by the SEC's rules and forms, and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The management of UAL and United, including the Chief Executive Officer and Chief Financial Officer, performed an evaluation to conclude with reasonable assurance that UAL's and United's disclosure controls and procedures were designed and operating effectively to report the information each company is required to disclose in the reports they file with the SEC on a timely basis. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer of UAL and United have concluded that as of June 30, 2018, disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting during the Quarter Ended June 30, 2018

During the three months ended June 30, 2018, there were no changes in UAL's or United's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, their internal control over financial reporting (as defined in rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

See Part I, Item 3, Legal Proceedings, of the 2017 Annual Report for a description of legal proceedings.

ITEM 1A. RISK FACTORS

See Part I, Item 1A, Risk Factors, of the 2017 Annual Report for a detailed discussion of the risk factors affecting UAL and United.

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

(a) None

(b) None

(c) The following table presents repurchases of UAL common stock made in the second quarter of fiscal year 2018:

Period	Total number of shares purchased (a) (b)	Average price paid per share (b)(c)	Total number of shares purchased as part of publicly announced plans or programs (a)	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions) (a)
April 2018	3,224,922	\$ 68.11	3,224,922	\$ 2,212
May 2018	1,789,844	68.42	1,789,844	2,089
June 2018	916,248	71.15	916,248	2,024
Total	5,931,014		5,931,014	

(a) In December 2017, UAL's Board of Directors authorized a \$3.0 billion share repurchase program to acquire UAL's common stock. As of June 30, 2018, the Company had approximately \$2.0 billion remaining to purchase shares under its share repurchase program. UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws.

(b) The table does not include shares withheld from employees to satisfy certain tax obligations due upon the vesting of restricted stock awards and restricted stock units. The United Continental Holdings, Inc. 2017 Incentive Compensation Plan and the United Continental Holdings, Inc. 2008 Incentive Compensation Plan each provide for the withholding of shares to satisfy tax obligations due upon the vesting of restricted stock. However, these plans do not specify a maximum number of shares that may be withheld for this purpose. A total of 1,226 shares were withheld under these plans in the second quarter of 2018 at an average price per share of \$69.17. These shares of common stock withheld to satisfy tax withholding obligations may be deemed to be "issuer purchases" of shares that are required to be disclosed pursuant to this Item.

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

ITEM 6. EXHIBITS.**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Registrant</u>	<u>Exhibit</u>
10.1	UAL United	Second Amendment, dated as of May 16, 2018, to Amended and Restated Credit Guaranty Agreement
^10.2	UAL United	Supplemental Agreement No. 10, including exhibits and side letters, to Purchase Agreement No. 03776, dated as of May 15, 2018, between The Boeing Company and United Airlines, Inc.
^10.3	UAL United	Supplemental Agreement No. 9, including exhibits and side letters, to Purchase Agreement No. 3860, dated as of May 31, 2018, between The Boeing Company and United Airlines, Inc.
12.1	UAL	United Continental Holdings, Inc. and Subsidiary Companies Computation of Ratio of Earnings to Fixed Charges
12.2	United	United Airlines, Inc. and Subsidiary Companies Computation of Ratio of Earnings to Fixed Charges
31.1	UAL	Certification of the Principal Executive Officer of United Continental Holdings, Inc. Pursuant to 15U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.2	UAL	Certification of the Principal Financial Officer of United Continental Holdings, Inc. Pursuant to 15U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.3	United	Certification of the Principal Executive Officer of United Airlines, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.4	United	Certification of the Principal Financial Officer of United Airlines, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
32.1	UAL	Certification of the Chief Executive Officer and Chief Financial Officer of United Continental Holdings, Inc. Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
32.2	United	Certification of the Chief Executive Officer and Chief Financial Officer of United Airlines, Inc. Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
101.1	UAL United	XBRL Instance Document
101.2	UAL United	XBRL Taxonomy Extension Schema Document
101.3	UAL United	XBRL Taxonomy Extension Calculation Linkbase Document
101.4	UAL United	XBRL Taxonomy Extension Definition Linkbase Document
101.5	UAL United	XBRL Taxonomy Extension Labels Linkbase Document
101.6	UAL United	XBRL Taxonomy Extension Presentation Linkbase Document

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

SIGNATURES

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

United Continental Holdings, Inc.
(Registrant)

Date: July 18, 2018

By: /s/ Gerald Laderman
Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer
(Principal Financial Officer)

Date: July 18, 2018

By: /s/ Chris Kenny
Chris Kenny
Vice President and Controller
(Principal Accounting Officer)

United Airlines, Inc.
(Registrant)

Date: July 18, 2018

By: /s/ Gerald Laderman
Gerald Laderman
Senior Vice President Finance and acting Chief Financial Officer
(Principal Financial Officer)

Date: July 18, 2018

By: /s/ Chris Kenny
Chris Kenny
Vice President and Controller
(Principal Accounting Officer)

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT (this “Second Amendment”), dated as of May 16, 2018 among UNITED AIRLINES, INC. , a Delaware corporation (the “Borrower”), UNITED CONTINENTAL HOLDINGS, INC., a Delaware corporation (“UCH”), BARCLAYS BANK PLC, as Fronting Lender, and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders party to the Loan Agreement referred to below (together with its permitted successors in such capacity, the “Administrative Agent”), and on behalf of the Consenting Lenders (as defined below) executing consents to this Amendment. Unless otherwise indicated, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided such terms in the Loan Agreement referred to below (as amended, including by this Second Amendment).

W I T N E S S E T H:

WHEREAS, the Borrower, UCH and certain of its subsidiaries other than the Borrower from time to time, as guarantors, the Lenders and the Administrative Agent are parties to a \$3,500,000,000 Amended and Restated Credit and Guaranty Agreement dated as of March 29, 2017 (as amended, modified and supplemented and in effect on the date hereof, the “Loan Agreement”) comprised of a \$2,000,000,000 revolving credit and revolving letter of credit facility and a \$1,500,000,000 term loan facility (of which \$1,485,000,000 was outstanding immediately prior to effectiveness of this Second Amendment);

WHEREAS, the Borrower has requested to amend certain terms of the Loan Agreement as hereinafter set forth;

WHEREAS, with respect to the Term Lenders holding any Term Loans outstanding immediately prior to the Second Amendment Effective Date (as defined below) (such Term Loans, the “Refinanced Term Loans”) whose executed consent to this Second Amendment has not been received by the Administrative Agent on or prior to a deadline (the “Non-Consenting Lenders”; the Term Lenders that are not the Non-Consenting Lenders (including the “Fronting Lender” as defined below) are hereinafter referred to as the “Consenting Lenders”) as agreed between the Borrower and the Administrative Agent and announced by the Administrative Agent to the Term Lenders (the “Consent Deadline”), the Borrower hereby gives notice to each Non-Consenting Lender, pursuant to Section 10.08(e) of the Loan Agreement, that upon the Second Amendment Effective Date, the principal amount of and accrued and unpaid interest on its Refinanced Term Loans will be repaid in full on behalf of the Borrower by the Administrative Agent or Barclays Bank PLC, as Fronting Lender (the “Fronting Lender”);

WHEREAS, on the Second Amendment Effective Date, the Refinanced Term Loans held by the Consenting Lenders and Fronting Lender shall be converted to new Class B Term Loans (the “Replacement Term Loans”); and

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

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

(a) Amended Definition. Section 1.01 of the Loan Agreement shall be amended by amending and restating in its entirety the below definition as follows:

“Applicable Margin” shall mean the rate per annum determined pursuant to the following:

Class of Loans	Applicable Margin Eurodollar Loans	Applicable Margin ABR Loans
Class B Term Loans	1.75 %	0.75 %
Revolving Loans	2.25 %	1.25 %

(b) Section 2.10. The first sentence of Section 2.10(b) shall be amended and restated to read as follows: The principal amount of the Class B Term Loans shall be repaid in consecutive quarterly installments (each, an “Installment”) of \$3,750,000, on the 29th day of each March, June, September and December, commencing on June 29, 2018.

(c) Section 2.13. Section 2.13(d) of the Loan Agreement shall be amended by deleting the words “within six months after November 15, 2017” in the first and second sentences of such Section and replacing them with “on or after May 16, 2018 but on or before November 15, 2018” in each such instance.

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

(i) the Administrative Agent and the Borrower shall have received a signed signature page to this Second Amendment from the Borrower, the Guarantor, the Fronting Lender, and the Administrative Agent and a signed consent from each Consenting Lender, and in the case of each such Consenting Lender such Consenting Lender shall have elected on its signature page either “Option A” or “Option B” as described in Exhibit A hereto;

(ii) the Administrative Agent shall have received with respect to the Borrower a certificate of the Secretary of State of the state of Delaware, dated as of a recent date, as to its good standing;

(iii) the Administrative Agent shall have received a certificate of the Secretary or an Assistant Secretary (or similar officer), of the Borrower dated the date hereof and certifying as to the incumbency and specimen signature of each officer of the Borrower executing this Second Amendment or any other document delivered by it in connection herewith;

(iv) the Borrower shall have paid to the Administrative Agent for the benefit of itself and the Consenting Lenders the then-unpaid balance of all accrued and unpaid fees due, owing and payable by the Borrower to them in connection with this Second Amendment, as agreed to by the Borrower, and the reasonable attorneys' fees of Milbank, Tweed, Hadley & McCloy LLP as counsel to the Administrative Agent and to the Fronting Lender incurred in connection with the preparation, execution and delivery of this Second Amendment as to which the Borrower shall have received an invoice prior to the Second Amendment Effective Date;

(v) the Administrative Agent shall have received an Officer's Certificate from the Borrower certifying as to the truth in all material respects of the representations and warranties set forth in Section 3 of this Second Amendment as though made by it on the date hereof, except to the extent that any such representation or warranty relates to a specified date, in which case as of such date (provided, that any representation or warranty that is qualified by materiality, "Material Adverse Change" or "Material Adverse Effect" shall be true and correct in all respects as of the applicable date, before and after giving effect to the Second Amendment);

(vi) all interest accrued on the Term Loans that has not yet been paid by the Borrower to the Administrative Agent as of the Second Amendment Effective Date shall have been paid in full; and

(vii) all amounts owing to the Non-Consenting Lenders pursuant to Section 2.15 (*Break Funding Payments*) of the Loan Agreement in connection with the repayment of their Refinanced Term Loans pursuant to this Second Amendment shall have been paid by the Borrower to the Administrative Agent for the account of each such Non-Consenting Lender, subject in the case of each Non-Consenting Lender to its giving the Borrower a written certificate setting forth any such amount due to it at least one Business Day prior to the Second Amendment Effective Date.

The Administrative Agent shall promptly notify the parties hereto of the occurrence of the Second Amendment Effective Date.

SECTION 3 - Representations and Warranties. In order to induce the Consenting Lenders and the Administrative Agent to enter into this Second Amendment, the Borrower represents and warrants to each of the Consenting Lenders and the Administrative Agent that on and as of the date hereof after giving effect to this Second Amendment, (i) no Event of Default has occurred and is continuing or would result from giving effect to the Second Amendment and (ii) the representations and warranties contained in the Loan Agreement and the other Loan Documents (other than the representations and warranties set forth in Sections 3.05(b), 3.06 and 3.09(a) of the Loan Agreement), are true and correct in all material respects on and as of the date hereof with the same effect as if made on and as of the date hereof except to the extent that such representations and warranties expressly relate to an earlier date and in such case as of such date;

provided that any representation or warranty that is qualified by materiality, “Material Adverse Change” or “Material Adverse Effect” shall be true and correct in all respects, as though made on and as of the applicable date, before and after giving effect to the Second Amendment.

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

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

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

SECTION 7 - Refinancing of Non-Consenting Lender Term Loans; Assignments of Certain Lenders. Subject to the satisfaction of the conditions set forth in Section 2 and effective as of the Second Amendment Effective Date:

(a) the outstanding Refinanced Term Loans of each Non-Consenting Lender shall, pursuant to 10.08(e) of the Loan Agreement, be repaid, on behalf of the Borrower by

payment from the Fronting Lender of an amount equal to the outstanding principal amount of, and accrued and unpaid interest on all of such Refinanced Term Loans, and all of such Non-Consenting Lender's existing Refinanced Term Loans shall be deemed refinanced by new Class B Term Loans held by the Fronting Lender in an amount corresponding to the amount of existing Refinanced Term Loans held by such Non-Consenting Lender,

(b) each Consenting Lender who elects Option A as described in Exhibit A hereto will hold new Class B Term Loans, in a principal amount equal to its Refinanced Term Loans or greater amount as agreed between such Consenting Lender and the Fronting Lender, subject to the amended terms described in this Second Amendment,

(c) each Consenting Lender who elects Option B as described in Exhibit A hereto (each such Lender a "Cash Roll Lender"), shall on or prior to the Second Amendment Effective Date and upon execution and delivery of its consent as described in Exhibit A hereto (i) be deemed to have assigned its Refinanced Term Loans to the Fronting Lender pursuant to the terms hereof (the "First-Step Assignment"), (ii) receive an amount equal to the outstanding principal amount of, and accrued and unpaid interest to but excluding the Second Amendment Effective Date on, such Refinanced Term Loans and (iii) commit (or have such other Eligible Assignees as such Cash Roll Lender may designate commit) to purchase new Class B Term Loans from the Fronting Lender in a principal amount to be determined by the Fronting Lender up to the amount of the Refinanced Term Loans such Cash Roll Lender assigned pursuant to the First-Step Assignment (or such greater amount as may be agreed between such Cash Roll Lender and the Fronting Lender),

(d) the Replacement Term Loans shall be deemed the Class B Term Loans and replace the Refinanced Term Loans, and all Replacement Term Loans shall be subject to the same Interest Period as the Refinanced Term Loans in existence immediately prior to the Second Amendment Effective Date, and shall continue to accrue interest in accordance with Section 2.07 of the Credit Agreement on and after the Second Amendment Effective Date at the same interest rate, except for the change in the Applicable Margin pursuant to this Second Amendment effective on the Second Amendment Effective Date, and

(e) the Fronting Lender shall advance a Replacement Term Loan in a principal amount equal to the principal amount of Refinanced Term Loans required to be paid by the Fronting Lender pursuant to this Section 7.

[REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

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

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

By: /s/ Cristina Caviness
Name: Cristina Caviness
Title: Vice President

UAL 2018
Repricing Amendment

BARCLAYS BANK PLC, as Fronting Lender

By: /s/ Craig Malloy
Name: Craig Malloy
Title: Director

UAL 2018
Repricing Amendment

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Name: Gerald Laderman

Title: Senior Vice President

Finance, Procurement & Treasurer

UNITED CONTINENTAL HOLDINGS, INC.

By: /s/ Gerald Laderman

Name: Gerald Laderman

Title: Senior Vice President

Finance, Procurement & Treasurer

UAL 2018
Repricing Amendment

EXHIBIT A

LENDER CONSENT TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AND GUARANTY AGREEMENT

April 24, 2018

Reference is made to the Amended and Restated Credit and Guaranty Agreement, dated as of March 29, 2017 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Loan Agreement") among UNITED AIRLINES, INC., a Delaware corporation (the "Borrower"), UNITED CONTINENTAL HOLDINGS, INC. and its other subsidiaries party thereto as guarantors from time to time, JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (together with its permitted successors in such capacity, the "Administrative Agent"), and the "Lenders" party thereto.

Posted for your review is a draft of the Second Amendment (the "Amendment") to the Loan Agreement. Barclays Bank PLC will be acting as Fronting Lender in connection with the Amendment. Capitalized terms used and not defined in this Consent have the meanings set forth in the Loan Agreement, as amended including by the Amendment.

This Consent sets forth the procedures for (i) submitting your consent to the Amendment; (ii) electing either (a) a cashless roll as described in **Option A** below or (b) a cash roll as described in **Option B** below; (iii) electing not to consent to the Amendment and be treated as a "Non-Consenting Lender" and/or (iv) submitting questions or comments on the Amendment.

PROCEDURES FOR CONSENTING TO THE AMENDMENT

Each Term Lender is requested to consent to the Amendment by following the procedures set forth herein. Additionally, each Consenting Lender may elect one of the following options:

- **OPTION A (Cashless):** If you elect Option A, on the Second Amendment Effective Date, your Class B Term Loans, in a principal amount equal to your Refinanced Term Loans or greater amount as agreed between you and the Fronting Lender, will automatically be subject to the amended terms described in the Amendment.
- **OPTION B (Cash Roll):** If you elect Option B, on the Second Amendment Effective Date (i) your Class B Term Loans will be assigned to the Fronting Lender pursuant to the terms of the Amendment (the "First-Step Assignment"), (ii) you will receive an amount equal to the outstanding principal amount of, together with accrued and unpaid interest to the Second Amendment Effective Date on, such Term Loans, and (iii) you or such other Eligible Assignees as you may designate will commit to purchase new Class B Term Loans from the Fronting Lender (the "Second-Step Assignment") in a principal amount to be determined by the Fronting Lender up to the amount of the original Class B Term Loans you assigned pursuant to the First-Step Assignment (or such greater amount as may be agreed between you and the Fronting Lender).

In order to consent to the Amendment and elect either Option A or Option B, each Consenting Lender is required to complete and sign the signature page to the Amendment (a copy of which is attached hereto as Annex I, with the full Amendment document being posted separately to Intralinks). In addition, if you elect Option B, the Fronting Lender will separately be contacting you to arrange execution and delivery of appropriate Assignment and Acceptance to effect the Second-Step Assignment.

Delivery Instructions for Consenting Lenders: If you are a Consenting Lender, please indicate your consent to the amendment by consenting online via LendAmend or by submitting an executed signature page, a form of which is attached as Annex I hereto to UnitedAirApr18@lendamend.com no later than 12:00p.m. New York City time on May 1, 2018. For questions about signature pages or execution matters please contact LendAmend at +1 (646) 453-2861. Term Lenders not delivering a signature page prior to such time will be treated as “Non-Consenting Lenders” with respect to the Amendment. Please note that **EACH LEGAL ENTITY MUST SUBMIT A SEPARATE SIGNATURE PAGE.**

PROCEDURES FOR NON-CONSENTING LENDERS

If you do not wish to consent to the Amendment for any of your Class B Term Loans, you are requested to please promptly advise the Fronting Lender of your intention. Non-Consenting Lenders will be repaid in accordance with the Amendment.

PROCEDURES FOR UPSIZING COMMITMENTS

Each existing Lender that wishes to upsize its Class B Term Loan commitment in excess of its current amount is asked to contact their sales representative at Barclays Bank.

REQUEST FOR REVIEW AND COMMENTS TO THE AMENDMENT

Each Lender is requested to review the terms of the Amendment.

All questions or comments on the Amendment of a business nature should be directed to Barclays Bank at:

- Michael Miller, michael.miller3@barclays.com, (212) 526-1288.

If you have any questions of a legal nature, they should be directed to the counsel for the Fronting Lender and the Administrative Agent, Milbank, Tweed, Hadley & McCloy LLP at:

- James V. Pascale, jpascale@milbank.com, (212) 530-5370
- Joshua Forman, jforman@milbank.com, (212) 530-5246

ANNEX I

CONSENTING LENDERS

By a Term Lender's signature hereto, such Term Lender is electing to consent to the Amendment by Option A: CASHLESS for the entire principal amount of Term Loans held by such Term Lender unless a different option is checked:

CURRENT HOLDING AMOUNT: \$ _____

PLEASE CHECK:

OPTION A : CASHLESS

OPTION B : CASH ROLL

LENDER: _____

By: _____

Name:

Title:

*By: _____

Name:

Title:

* For Lenders requiring a second signature line.

** If you do not check any boxes you will be deemed to have elected a FULL CASHLESS ROLL.

*** In the event of immaterial discrepancies between lender indicated holding amount and the Agent's Lender Register, the Agent's Lender Register will prevail.

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

Supplemental Agreement No. 10
to
Purchase Agreement No. 03776
between
The Boeing Company
and
United Airlines, Inc.
Relating to Boeing Model 737 *** Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of May 15, 2018, by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**) (**SA-10**);

WHEREAS, the parties hereto entered into Purchase Agreement No. 3776 dated July 12, 2012, as amended and supplemented (**Purchase Agreement**), relating to the purchase and sale of Boeing model 737 *** aircraft (**Aircraft**). This Supplemental Agreement is an amendment to the Purchase Agreement;

WHEREAS, the parties wish to provide a process for determination of a replacement reference interest rate in the event that the *** ceases to be available;

WHEREAS, the parties wish to clarify the AGTA elements applicable to the model 737-*** aircraft;

WHEREAS, the parties wish to clarify the *** applicable to the model 737-*** aircraft;

WHEREAS, the parties wish to incorporate (i) a software loading agreement into the Purchase Agreement; and (ii) a letter agreement for installation of cabin systems equipment;

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

1. Table of Contents.

The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-10").

2. Tables.

Table 1.1 entitled "Follow-On 737-*** Aircraft Delivery, Description, Price and ***" is deleted in its entirety and replaced with the attached similarly titled "Table 1.1" (identified by "SA-9").

3. Letter Agreements.

3.1. Letter Agreement UAL-PA-03776-LA-1207638R1 entitled “****” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-12077638R2 (identified by “SA-10”).

3.2. Letter Agreement UAL-PA-03776-LA-1207644R1 entitled “**** Aircraft – 737-****” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1207644R2 (identified by “SA-10”).

3.3. Letter Agreement UAL-PA-03776-LA-1207646R1 entitled “Promotional Support is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1207646R2 (identified by “SA-10”).

3.4. Letter Agreement UAL-PA-03776-LA-1207650R3 entitled “Special Matters” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1207650R4 (identified by “SA-10”) to revise certain ***.

3.5. Letter Agreement UAL-PA-03776-LA-1208122 entitled “****” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1208122R1 (identified by “SA-10”) to provide a process for determination of a replacement reference interest rate in the event the *** rate ceases to exist.

3.6. Letter Agreement UAL-PA-03776-LA-1208596 entitled “AGTA Matters” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1208596R1 (identified by “SA-10”) to specify the *** period applicable to model 737-*** aircraft.

3.7. Letter Agreement UAL-PA-3776-LA-1703858 entitled “**** Program for the 737-*** Aircraft” (identified by “SA-10”) is deleted and replaced in its entirety by UAL-PA-3776-LA-1703858R1 to incorporate the 737-*** Aircraft having ***.

3.8. Letter Agreement UAL-PA-3776-LA-1801367 entitled “Loading of Customer Software” (identified by “SA-10”) is incorporated into the Purchase Agreement.

3.9. Letter Agreement UAL-PA-3776-LA-1801619 entitled “Installation of Cabin Systems Equipment” (identified by “SA-10”) is incorporated into the Purchase Agreement.

4. Miscellaneous.

4.1. The following references in the Purchase Agreement and the associated exhibits, supplemental exhibits, and letter agreements are revised as described in Figure 1 below.

Figure 1

<u>Document(s)</u>	<u>Original Text</u>	<u>Replacement Text</u>
1) Purchase Agreement Basic Articles, Section 3.2	3.2 *** <u>Base Prices</u> . The *** Base Prices listed in Table 1 were calculated using the *** and *** as of the date of this Purchase Agreement *** at a rate of *** percent (***) per year to the scheduled delivery year.	3.2 *** <u>Base Prices</u> . The *** Base Prices listed in Table 1, Table 1.1 and Table 1A were calculated utilizing the *** factors noted and *** to the month of scheduled delivery.
2) Supp. Exhibits AE1 relating to Boeing Model 737-*** Aircraft, and 3) AE2 relating to Boeing Model 737-*** Aircraft, Section 1 parenthetical portion of ***.	***For Models 737-600, 737-700, 737-800, 737-900, 737-900ER, 737-7, 737-8, 737-9, 747-8, 777-200LR, 777- F, and 777-300ER the *** the ***	*** (For Models 737-600, 737-700, 737-800, 737-900, 737-900ER, 737-7, 737-8, 737-9, 737-10, 747-8, 777-200LR, 777-F, and 777-300ER the *** the ***)
4) Supp. Exhibit EE1 relating to Boeing *** Aircraft, Section 1.	“ . . . 737-600, -700, 800, -900 or -900ER, -7, -8, -9 Aircraft”	Addition of “737-***”: “ . . . 737-600, 737-700, 737-800, 737-900 or 737-900ER, 737-7, 737-8, 737-9 and 737-10 Aircraft”

Figure 1, CONTINUED

<u>Document(s)</u>	<u>Original Text</u>	<u>Replacement Text</u>
5) UAL-PA-03776-LA-1207640 “Demonstration Flight Waiver” 6) UAL-PA-03776-LA-1207647 “Seller Purchased Equipment” 7) UAL-PA-03776-LA-1208055R1 “*** Program” 8) UAL-PA-03776-LA- 1208234 “Privileged and Confidential Matters” 9) UAL-PA-03776-LA- 1208238 “Assignment Matters” 10) UAL-PA-03776-LA- 1208869 “Delivery *** Matters”	“Reference: Purchase Agreement No. PA-03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Continental Holdings, Inc. (Customer) relating to Model 737-*** aircraft (Aircraft)”	“Reference: Purchase Agreement No. 03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Airlines, Inc. (Customer) relating to Model 737 *** aircraft (Aircraft)”

<u>Document(s)</u>	<u>Original Text</u>	<u>Replacement Text</u>
11) UAL-PA-03776-LA-1207649 "Spare Parts Initial Provisioning"	<p>"Reference:</p> <p>a) Purchase Agreement No. PA-03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Continental Holdings, Inc. (Customer) relating to Model 737-*** aircraft (Aircraft)</p> <p>b) Customer Services General Terms Agreement No. CSGTA-UCH (CSGTA) between Boeing and Customer."</p>	<p>"References:</p> <p>a) Purchase Agreement No. 03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Airlines, Inc. (Customer) relating to Model 737 *** aircraft (Aircraft); and</p> <p>b) Customer Services General Terms Agreement No. 24-1 (CSGTA) between Boeing and Customer."</p>

Figure 1, CONTINUED

<u>Document(s)</u>	<u>Original Text</u>	<u>Replacement Text</u>
12) 12) UAL-PA-03784-LA-1207869 "737 Production Adjustments"	<p>"Reference:</p> <p>1) Purchase Agreement No. PA 03784 (Purchase Agreement) between The Boeing Company (Boeing) and United Air Lines, Inc. (Customer) relating to Model 737-900ER aircraft (including any 737-700 or 737-800 aircraft, collectively the 737NG Aircraft)*****</p>	<p>"References:</p> <p>1) Purchase Agreement No. 03784 (Purchase Agreement) between The Boeing Company (Boeing) and United Air Lines, Inc. (Customer) relating to Model 737-900ER aircraft (including any 737-700 or 737-800 aircraft, collectively the 737NG Aircraft)</p> <p>***</p>

4.2. The following references to “Table 1” in the Purchase Agreement and the associated exhibits, supplemental exhibits, and letter agreements to the Purchase Agreement are now deemed to be replaced per Figure 2 as follows:

Figure 2

<u>Document</u>	<u>Original Reference</u>	<u>Replacement Reference</u>
Purchase Agreement Basic Articles	Reference to “Table 1” (i) Opening Paragraph 1 (ii) Article 2 (iii) Article 3.1 (iv) Article 4.1 & 4.2 (v) Article 5.1	“Table 1, Table 1.1 and Table 1A”
Supplemental Exhibit AE2	Reference to “Table 1” (i) Article 1 (ii) Notes to Article 1	“Table 1A”
Supplemental Exhibit EE1	Reference to “Table 1” Article 2.6.2	“Table 1, Table 1.1 and Table 1A”
UAL-PA-03776-LA-1207647 “Seller Purchased Equipment”	Reference to “Table 1” Article 2.6.2	“Table 1, Table 1.1 and Table 1A”
UAL-PA-03776-LA-1207637R1 “*** Matters”	Reference to “Table 1” Article 1.1	“Table 1, Table 1.1 and Table 1A”

4.3. If Boeing or Customer determines that references described in Figure 1 and Figure 2 of this Supplemental Agreement No. 10 should be further amended, then Boeing and Customer will work together for a mutually agreeable solution.

5. Miscellaneous.

Boeing and Customer *** Customer’s ***.

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

The rest of this page is left intentionally blank.

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

THE BOEING COMPANY

/s/ Irma L. Krueger

Signature

Irma L. Krueger

Printed Name

Attorney-in-Fact

Title

UNITED AIRLINES, INC.

/s/ Gerald Laderman

Signature

Gerald Laderman

Printed Name

Senior Vice President Finance,
Procurement and Treasurer

Title

UAL-PA-03776

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BOEING / UNITED AIRLINES, INC. PROPRIETARY

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Article 2.	Delivery Schedule
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UAL-PA-03776-LA-1207649	Spare Parts Initial Provisioning	
UAL-PA-03776-LA-1207650R4	Special Matters	SA-10
UAL-PA-03776-LA-1208055R1	***	SA-7
UAL-PA-03776-LA-1208122	***	SA-10
UAL-PA-03776-LA-1208123R1	*** Matters for 737-*** Aircraft	SA-9
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UAL-PA-03776-LA-1208238	Assignment Matters	
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UAL-PA-03784-LA-1207869	737 Production Adjustments	
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	*** Commitment for the 737-*** Aircraft	§5.1.2 of SA-9
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UAL-PA-3776-LA-1801619	Installation of Cabin Systems Equipment	SA-10

SUPPLEMENTAL AGREEMENTS	DATED AS OF
Supplemental Agreement No. 1	June 17, 2013
Supplemental Agreement No. 2	January 14, 2015
Supplemental Agreement No. 3	May 26, 2015
Supplemental Agreement No. 4	June 12, 2015
Supplemental Agreement No. 5	January 20, 2016
Supplemental Agreement No. 6	February 8, 2016
Supplemental Agreement No. 7	December 27, 2016
Supplemental Agreement No. 8	June 7, 2017
Supplemental Agreement No. 9	June 15, 2017
Supplemental Agreement No. 10	May 15, 2018

Table 1.1 To Purchase Agreement No. 03776
***** 737-*** Aircraft Delivery, Description, Price and *****

Airframe Model/MTOW:	737-***	**** pounds	Detail Specification:	***
Engine Model/Thrust:	***	**** pounds	Airframe Price Base Year/***	
Airframe Price:		\$***	Formula:	*** ***
*** Features:		\$***	Engine Price Base Year/*** Formula:	*** ***
Sub-Total of Airframe and Features:		\$***	<u>Airframe *** Data:</u>	
Engine Price (Per Aircraft):		\$***	Base Year Index (ECI):	***
Aircraft Basic Price (Excluding BFE/SPE):		\$***	Base Year Index (CPI):	***
Buyer Furnished Equipment (BFE) Estimate:		\$***		
Seller Purchased Equipment (SPE) Estimate:		\$***		
Deposit per Aircraft:		\$***		

# of Aircraft	Delivery Date	Number of Aircraft	*** Factor (Airframe)	Manufacturer Serial Number	Subject of Letter No. UAL-PA-03776-LA-1802280?	Actual or Nominal Delivery ***	*** Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
								***	***	***	***
***	***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***

Total in this Table: *** **Total Deferral Aircraft:**

* Nominal delivery *** pursuant to Letter Agreement number UAL-PA-03776-LA-1207643 entitled "Open Matters 737-*** Aircraft", including successors thereof.

Note: Serial Numbers are provided as guidance only and are subject to change.



UAL-PA-03776-LA-1207638R2

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

Subject: ***

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 *** aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207638 dated June 15, 2017.

Subject to the terms herein, Customer may ***:

***.

For this Letter Agreement, each such *** aircraft referred to in (i) and (ii) above shall be defined to be a *** **Aircraft**.

1. Customer's Written Notice.

Customer shall provide written notice of its intention ***,

- (i) no later than the first day of the month that is ***, provided that a *** Customer, or;
- (ii) no later than the first day of the month that is ***, if a *** delivered to Customer.

2. 737-*** Aircraft Customer ***.

2.1 Customer *** for the *** 737-*** Aircraft under this Letter Agreement and Supplemental Agreement No. 9 are limited to *** 737-*** Aircraft ***.

2.2 Notwithstanding Section 2.1 above, Boeing has advised Customer that if *** specified in Letter Agreement 6-1162-ILK-LA-171027 entitled "Flight Operations Enhancements" ***, then Customer will have the *** of such *** 737-*** aircraft *** 737 *** aircraft model ***.

3. ***

4. Definitive Agreement.

***.

UAL-PA-03776-LA-1207638R2

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



5. ***

6. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or in part.

7. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207638R2

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement and
Treasurer

UAL-PA-03776-LA-1207638R2

BOEING / UNITED AIRLINES, INC. PROPRIETARY

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UAL-PA-03776-LA-1207644R2

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

Subject: *** Aircraft – 737-***

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 *** aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207644R1 dated December 27, 2016.

1. Right to Purchase *** Aircraft.

Subject to the terms and conditions contained in this Letter Agreement, in addition to the Aircraft described in Table 1, Table 1.1 and Table 1A to the Purchase Agreement as of the date of execution of this Letter Agreement, Customer will have the *** Model 737-*** aircraft as *** aircraft (***** Aircraft**).

2. Delivery.

The number of aircraft and delivery months are listed in the Attachment A to this Letter Agreement. The scheduled delivery position of each *** Aircraft listed in Attachment A provides the delivery schedule in *** consisting of a nominal delivery *** (**Nominal Delivery *****) plus and minus ***. No later than *** prior to Nominal Delivery *** of Customer's first *** Aircraft in each calendar year, Boeing will provide written notice with a revised Attachment A of the scheduled delivery *** for each *** Aircraft with a Nominal Delivery *** in such calendar year.

3. Configuration.

3.1 Subject to the provisions of Article 3.2, below, the configuration for the *** Aircraft will be the Detail Specification for Boeing Model 737-*** aircraft at the revision level in effect at the time of Definitive Agreement (as defined below). Such Detail Specification will be revised to include (i) changes applicable to the Detail Specification that are developed by Boeing between the *** (as defined below) and the signing of the Definitive Agreement, (ii) changes required to obtain required regulatory certificates, and (iii) other changes as mutually agreed.

3.2 Subject to ***, the *** Aircraft ***, provided that it can achieve *** which would result pursuant to the provisions of Article ***.

4. Price.

4.1 The Airframe Price and *** Features Prices for each of the *** Aircraft is identified in Attachment A to this Letter Agreement. ***.

UAL-PA-03776-LA-1207644R2

SA-10

*** Aircraft - 737-***

Page 1



4.2 The Airframe Price, *** Features Prices, and Aircraft Basic Price for each of the *** Aircraft shall be adjusted in accordance with the terms set forth in Article 2.1.5 (***) of the AGTA.

4.3 The *** Price shall be developed in accordance with the terms of the Purchase Agreement and determined at the time of Definitive Agreement.

5. Payment.

5.1 ***.

5.2 Notwithstanding the amount shown in Attachment A, the *** Deposit will be *** for each *** Aircraft.

5.3 At Definitive Agreement for the *** Aircraft, *** will be payable as specified in the Purchase Agreement. The remainder of the Aircraft Price for the *** Aircraft will be paid ***.

6. Option Exercise.

6.1 Customer may *** by giving written notice to Boeing on or before the date *** prior to the earlier of the first day of either the Nominal Delivery *** or the delivery *** listed in Attachment A (***) .

6.2 ***.

6.3 If at any given time, the aggregate number of *** Aircraft *** Aircraft, then Customer may request for Boeing to *** Aircraft in *** Aircraft under the Purchase Agreement on the basis of the terms of this Letter Agreement.

6.3.1 Boeing will accommodate Customer's request for *** Aircraft in accordance with the terms of Letter Agreement 6-1162-KKT-080, as amended; provided, however, that such Boeing accommodation is further conditioned upon Boeing having *** for *** Aircraft.

6.3.2 In response to any Customer request for *** Aircraft, Boeing will provide a written notice for Customer's consideration and written acceptance within *** of such Boeing notice. Delivery *** will be specified in Boeing's notice for confirmation by Customer through execution of a supplemental agreement incorporating *** Aircraft. Delivery positions of *** Aircraft will be subject to mutual agreement and will take into account ***.

7. Definitive Agreement.

Following Customer's *** the parties will sign a definitive agreement for the purchase of such *** Aircraft (**Definitive Agreement**) within *** of such exercise. The Definitive Agreement will include the provisions of the Purchase Agreement as modified to reflect the provisions of this Letter Agreement. In the event the parties have not entered into a Definitive Agreement within *** following ***, either party may *** such *** Aircraft by giving written notice to the other within ***. If Customer and Boeing fail to enter into the Definitive Agreement, Boeing will *** for *** Aircraft and shall have no further obligation with respect to *** Aircraft.



8. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or in part.

9. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207644R2

SA-10

*** Aircraft - 737-***

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement and
Treasurer

UAL-PA-03776-LA-1207644R2

SA-10

*** Aircraft - 737-***

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BOEING / UNITED AIRLINES, INC. PROPRIETARY

**Attachment A to Letter Agreement No. UAL-PA-03776-LA-1207644R2
737-*** Aircraft Delivery, Description, Price and *****

Airframe Model/MTOW: 737-*** *** pounds
Engine Model/Thrust: *** *** pounds Subject to confirmation
Airframe Price: \$***
***** Features:** \$***
Sub-Total of Airframe and Features: \$***
Engine Price (Per Aircraft): \$***
Aircraft Basic Price (Excluding BFE/SPE): \$***
Buyer Furnished Equipment (BFE) Estimate: \$***
Seller Purchased Equipment (SPE) Estimate: \$***

Deposit per Aircraft: \$***

Detail Specification: ***
Airframe Price Base Year/* Formula:** *** ***
Engine Price Base Year/* Formula:** *** ***

Airframe * Data:**
Base Year Index (ECI): ***
Base Year Index (CPI): ***

# of *** Aircraft	Delivery Date	Number of Aircraft	*** Factor (Airframe)	*** Exercise Expiry	Actual or Nominal Delivery ****	*** Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
							***	***	***	***
***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***

Total: ***

* Nominal delivery *** are subject to revision pursuant to Letter Agreement number UAL-PA-03776-LA-1207644R2 and any successor thereof.



UAL-PA-03776-LA-1207646R2

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

Subject: Promotional Support

Reference: Purchase Agreement No. 03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (as assignee of United Continental Holdings, Inc.) (**Customer**) relating to Model 737 *** aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. **This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207646R1 dated December 13, 2013.** All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

Boeing and Customer wish to enter into an agreement pursuant to which each party will contribute equally to promotional programs in support of the entry into service of the Aircraft as more specifically provided below.

1. Definitions.

1.1 **Commitment Limit** shall have the meaning set forth in Article 2, below.

1.2 **Covered Aircraft** shall mean those Aircraft identified on Table 1, Table 1.1 and Table 1A to the Purchase Agreement as of the date of signing of this Letter Agreement.

1.3 **Performance Period** shall mean the period beginning *** after the scheduled delivery *** of the first Covered Aircraft. **Customer requested, and Boeing agreed to provide, *** of the Performance Period ***.**

1.4 **Promotional Support** shall mean mutually agreed *** promotion programs, advertising campaigns or such other marketing and promotional activities as the parties may mutually agree.

1.5 **Qualifying Third Party Fees** shall mean fees paid by Customer to third party providers for Promotional Support provided to Customer during the Performance Period.

2. Commitment.

As more particularly set forth in this Letter Agreement, Boeing agrees to provide Promotional Support to Customer during the Performance Period in a value not to exceed *** for the first Covered Aircraft delivered to Customer and not to exceed *** per Covered Aircraft for each Covered Aircraft delivered to Customer thereafter. **For the avoidance of doubt,**

UAL-PA-03776-LA-1207646R2

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Promotional Support

Page 1

BOEING / UNITED AIRLINES, INC. PROPRIETARY



Customer may request payment of any or all of such Promotional Support prior to delivery of the first Covered Aircraft to Customer.

3. Methods of Performance.

3.1 Subject to the Commitment Limit, Boeing will reimburse *** of Customer's payments of Qualifying Third Party Fees provided that Customer provides Boeing copies of paid invoices for such Qualifying Third Party Fees no later than *** after the delivery of the first Covered Aircraft.

3.2 Notwithstanding the above, at Customer's request and subject to a mutually agreed project, Boeing will provide certain Promotional Support during the Performance Period directly to Customer. The full value of such Boeing provided Promotional Support will be accounted for as part of the Commitment Limit and will correspondingly reduce the amount of Qualifying Third Party Fees that are subject to reimbursement pursuant to Article 3.1 above. Additionally, without duplication the parties agree that the sum of *** (**One-Time Non-Matching Promo Support**) shall be available to Customer on a one-time non-matching basis. For the avoidance of doubt, the One-Time Non-Matching Promo Support shall be spent on promotional activity selected at Customer's discretion and shall be made available within *** of the effective date of this Letter Agreement.

3.3 In the event Customer does not (i) utilize the full amount of the Commitment Limit within the Performance Period or (ii) submit its paid invoices for Qualifying Third Party Fees within the required time, as set forth in Article 3.1, Boeing shall have no further obligation to Customer for such unused Commitment Limit or to *** Customer for such Qualifying Third Party Fees, respectively.

4. Project Approval.

Following the execution of this Letter Agreement, a Boeing Airline Marketing Services representative will meet with Customer's designated representative to review and approve the extent, selection, scheduling, and *** process for the Promotional Support to be provided pursuant to this Letter Agreement.

5. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238 the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or, in part.

6. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.



Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207646R2

SA-10

Promotional Support

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance,
Procurement and Treasurer

UAL-PA-03776-LA-1207646R2

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Promotional Support

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BOEING / UNITED AIRLINES, INC. PROPRIETARY

UAL-PA-03776-LA-1207650R4

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

Subject: Special Matters – 737 *** Aircraft

References: 1) Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 *** aircraft (**Aircraft**); and
2) Letter Agreement UAL-PA-03776-1207638 entitled ***

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207650R3 dated June 15, 2017.

1. ***.

1.1 ***. At the *** of each 737-*** Aircraft, Boeing *** to Customer *** in an *** the 737-*** Aircraft ***.

1.2 ***. At the *** of each 737-*** Aircraft, Boeing *** to Customer a credit memorandum in an ***. Boeing represents that *** of this 737-*** is consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

1.3 ***. Pursuant to the ***, Customer may *** of ***. At the time of ***, Boeing *** to Customer ***.

1.3.1 ***. At the time *** of each ***, Boeing *** to Customer ***. Boeing represents that the inclusion of this *** is consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

1.4 ***. Pursuant to the ***, Customer may *** of ***. At the time of ***, Boeing *** Customer ***.

1.4.1 ***. At the time *** of each ***, Boeing *** to Customer ***. Boeing represents that the inclusion of this *** is consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

1.5 *** Aircraft *** and ***.

The parties agree to the following *** which will *** Boeing Model 737-*** aircraft specified in Table 1 and Table 1.1 and *** Boeing Model 737-*** aircraft specified in Table 1A, at

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Special Matters

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



the effective date of this Letter Agreement and as may be ***. The *** aircraft comprise the *** Aircraft.

1.5.1 At the time of *** of each applicable *** Aircraft, Boeing *** to Customer a *** Aircraft that is a model 737-*** aircraft; and *** to be used solely for the *** of Boeing *** and *** and shall not be applied to *** or ***.

1.5.2 Boeing and Customer will work together to periodically assess and agree to determine whether and how *** established in Attachment 1 is *** provided in Attachment 2 to this Letter Agreement. Such assessment will incorporate the methodology and assumptions incorporated in development of Attachment 1 to this Letter Agreement including *** to the effective date of Supplemental Agreement No. 7 to the 787 Purchase Agreement No. 3860 and *** in Attachment 1 to this Letter Agreement.

1.6 737-***.

At the time *** of each 737-*** Aircraft, Boeing *** to Customer *** in an *** (737-*** ***).

1.7 *** 737 ***.

Should Customer *** of a 737-*** Aircraft or a 737-*** Aircraft from ***, Boeing *** to Customer *** 737-*** and 737-*** Aircraft *** specified below:

Aircraft Availability	*** Amount of *** 737 ***
737-*** Aircraft	\$***
737-*** Aircraft	\$***

2. ***.

Unless otherwise noted, the *** stated in Paragraphs 1.1 through 1.7 (***) are in (a) *** year dollars for the 737-*** Aircraft, the 737-*** Aircraft, the 737-*** Aircraft and (b) *** year dollars for 737-*** Aircraft. The *** will be *** to the scheduled month of the respective Aircraft *** pursuant to the *** formula set forth in the Purchase Agreement applicable to the Aircraft. The *** may, at the election of Customer, be *** Boeing *** and *** (but shall ***).

3. Reserved.



4. 737 Supplier Management.

It is Boeing's 737 *** design intent to maintain as much commonality with the 737NG while also achieving the 737 *** performance requirements (including, but not limited to, fuel burn, range, payload, etc.) that the market demands. If a *** leads to a Supplier Product to be available *** for the 737 *** where *** on the 737NG, or if an existing 737NG ***, then Boeing will ensure that *** 737 *** operators ***. These *** agreements, known as ***, will include (but not be limited to) enforceable provisions related to *** Boeing will utilize *** efforts to ensure that the terms of such *** agreements are ***

5. Supplier Diversity.

Customer and Boeing agree to work towards a mutually agreeable solution for meeting diversity requirements in the supply base. Notwithstanding the foregoing sentence, Boeing agrees to (i) identify parts and equipment where Customer makes the procurement decision for potential opportunities; (ii) submit indirect reports until other options are vetted and approved; and (iii) continue to engage with Customer with regard to supplier diversity to ensure Boeing supports Customer's requirements.

6. Delivery ***.

Customer and Boeing agree that both Customer and Boeing will have certain Aircraft ***. Such *** are provided to Customer and Boeing pursuant to Letter Agreement No. UAL-PA-03776-LA-1208869.

7. Assignment.

Unless otherwise noted herein, the *** described in this Letter Agreement are provided *** to Customer and in consideration of ***. Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, this Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing. ***.

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Special Matters

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



8. Confidentiality

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207650R4

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Special Matters

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance,
Procurement and Treasurer

UAL-PA-03776-LA-1207650R4

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Special Matters

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BOEING / UNITED AIRLINES, INC. PROPRIETARY

Attachment 1 to Letter Agreement UAL-PA-03776-LA-1207650R4: ***

Current scenario:

Year	787-***	787-***	777-300***	737 *** and ***	***+	Total Cashflow
***	***	***	***			***
***	***	***	***			***
***	***	***	***			***
***	***	***	***			***
***	***	***	***			***
***	***	***	***			***
***	***	***	***			***
***	***	***	***			***
Total	***	***	***	***	***	***
PV (***)%	***	***	***	***	***	***

Discount Rate	***%
***	\$***

Alternative scenario:

Col. 1 Col. 2 Col. 3 Col. 4 Col. 5 Col. 6 Col. 7

Year	787-***	787-***	777-300***	*** 737-*** and ***	***	Total Cashflow
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
***	***	***	***	***	***	***
Total	***	***	***	***	***	***
PV (***)%	***	***	***	***	***	***
					*** of Boeing ***:	***

Discount Rate	***%
***	\$***

+ - Note: Payment dates for the "Fixed *** and ***" amounts and other related payments to Customer will be subject to adjustment as mutually agreed by the parties to reflect *** incorporated by the Supplemental Agreements executed on March 7 and this Supplemental Agreement 7. *** subsequent to March 7 should be reviewed for *** to be issued in columns (5) and (6).

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Special Matters

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Attachment 1 to UAL-PA-03776-LA-1207650R4, Page 6

BOEING / UNITED AIRLINES, INC. PROPRIETARY

Attachment 2 to Letter Agreement UAL-PA-03776-LA-1207650R4

Current scenario: *Using *** Forecast*

Year	787-***	787-***	777-300***	737 *** and ***	Fixed *** and ***	Total Cashflow
***	***	***				***
***	***	***				***
***	***	***				***
***	***	***				***
***	***	***				***
***	***	***				***
***	***	***				***
***	***	***				***
Total	***	***		***	***	***
PV (***%)	***	***		***	***	***

Discount Rate	***%
***	\$***

Alternative scenario: **** & Using *** Forecast*

Year	787-***	787-***	777-300***	*** 737-*** Aircraft ***	*** 737-*** Aircraft ***	Total Cashflow
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
***	***	***		***	***	***
Total	***	***		***	***	***
PV (***%)	***	***		***	***	***

Discount Rate	***%
***	\$***

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Special Matters

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Attachment 2 to UAL-PA-03776-LA-
1207650R4, Page 7

BOEING / UNITED AIRLINES, INC. PROPRIETARY



UAL-PA-03776-LA-1208122R1

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

Subject: ***

Reference: Purchase Agreement No. 03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 aircraft (**Aircraft**)

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

Definition of Terms:

1. ***.
2. Interest.

In *** to the *** in paragraph 1, for *** commencing *** after the *** interest calculated as follows (**Interest**).

The product of the daily interest rate (computed by dividing the interest rate in effect for each day by three hundred sixty-five (365) day, or three hundred sixty-six (366) days, as the case may be) times the *** received by Boeing for such Aircraft. The interest rate in effect for each day shall be computed using the *** rate as published in the Wall Street Journal, US edition, effective the first business day of the *** and reset ***. For all purposes of this Letter Agreement, ***, then Boeing and Customer shall enter into an amendment to this Agreement to incorporate a *** interest rate that gives due consideration to the then prevailing market convention for determining a rate of interest for loans in the United States at such time.

Such interest will be calculated on a simple interest basis and paid in full at the same time as the ***.

3. ***.

UAL-PA-03776-LA-1208122R1

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Page 1

BOEING / UNITED AIRLINES, INC. PROPRIETARY



3.1 Boeing agrees to provide an *** the ***. The intent of providing such *** is to *** the ***, as provided for in the Purchase Agreement, on the *** from the *** to the *** of *** to *** under the Purchase Agreement.

3.2 The *** will be determined by subtracting the *** and *** at the *** for *** as provided in the Purchase Agreement, if applicable) *** and *** at the *** as provided in the Purchase Agreement, if applicable).

4. ***.

Customer will not have the right to *** to *** of any *** because of a *** and *** the *** for such ***. Within *** of receipt of *** that *** of an *** will be *** the *** as to such *** by *** to ***. Subject to Articles 4.1, 4.2, and 4.3 of this Letter Agreement, if *** the *** the *** will *** for that ***.

4.1 In the event that Customer *** the *** pursuant to Article 4 of this Letter Agreement, and the ***, then *** the *** as to such *** to *** must be provided *** of *** from *** that the *** for such Aircraft will be *** the ***. If *** the ***, then the *** for that ***.

4.2 For each additional *** the *** may *** the *** as to such *** by *** to ***. *** to Boeing must be provided *** of receipt of *** from *** that the *** for such *** will be an *** the *** the *** of ***, then the *** for that ***.

4.3 In the event that the *** of a ***, and the ***, then ***.

5. ***.

If the Purchase Agreement is *** with respect to any *** for a *** will, in *** and Interest as described above, *** to Customer the *** of the *** received by *** for such ***.

6. ***.

The *** in this Letter Agreement are *** for a *** and are *** all *** of Customer *** or otherwise for *** in the *** delivery. Customer *** or otherwise for any such ***.

7. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or, in part.



8. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-in-Fact

ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance,

Procurement and Treasurer

UAL-PA-03776-LA-1208122R1

BOEING / UNITED AIRLINES, INC. PROPRIETARY

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UAL-PA-03776-LA-1208596R1

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

Subject: AGTA Matters

References: 1) Purchase Agreement No. 03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 *** aircraft (**Aircraft**); and

2) Aircraft General Terms Agreement dated as of July 12, 2012 between the parties, identified as UCH-AGTA (**AGTA**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement replaces in its entirety Letter Agreement UAL-PA-03776-1208596 dated July 12, 2012.

1. AGTA Basic Articles.

1.1 Article 2.1.1, "Airframe Price," of the basic articles of the AGTA is revised to read as follows:

Airframe Price is defined as the price of the airframe for a specific model of aircraft described in a purchase agreement. (For Models 737-600, 737-700, 737-800, 737-900, 737-7, 737-8, 737-9, 737-10, 747-8, 777-200LR, and 777-300ER, ***)

1.2 Article 2.1.3, "Engine Price" of the basic articles of the AGTA is revised to read as follows:

Engine Price is defined as the price set by the engine manufacturer for a specific engine to be installed on the model of aircraft described in a purchase agreement (***) to Models 737-600, 737-700, 737-800, 737-900, 737-7, 737-8, 737-9, 737-10, 747-8, 777-200LR and 777-300ER).

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AGTA Matters

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BOEING PROPRIETARY



1.3 Article 2.1.5, “*** Adjustment” of the basic articles of the AGTA is revised to read as follows:

*** **Adjustment** is defined as the price adjustment to the Airframe Price (*** for Models 737-600, 737-700 737-800, 737-900, 737-7, 737-8, 737-9, 737-10, 747-8, 777-200LR and 777-300ER) and the *** Features Prices resulting from the calculation using the economic price formula contained in the *** to the ***. The price adjustment to the Engine Price for all other models of aircraft will be calculated using the *** in the ***.

1.4 Article 11 of the AGTA i entitled “Notices” is revised to read as follows: Article 11. Notices.

All notices required by this AGTA or by any applicable purchase agreement will be written in English, will be effective on the date of receipt, and will be delivered or transmitted by any customary means to the appropriate address or number listed below:

UNITED	BOEING
<p>By mail: United Airlines, Inc. 233 South Wacker Drive Chicago, Illinois 60606</p> <p>By Courier: United Airlines, Inc. 233 South Wacker Drive - HDQPP Chicago, Illinois 60606 Attn: Vice President of Procurement_____</p>	<p>By mail: The Boeing Company P.O. Box 3707 Mail Code: 21-43 Seattle, WA 98124</p> <p>By Courier: Boeing Commercial Airplanes 1901 Oakesdale Avenue SW Renton, Washington 98057 Attn: Vice President - Contracts Mail Code 21-24</p>

2. Appendices to the AGTA.

2.1 Appendix I, entitled “SAMPLE Insurance Certificate” the Combined Single Limit Bodily Injury and Property Damage: U.S. Dollars (\$) any one occurrence each Aircraft (with aggregates as applicable) is added for the 737-7, 737-8, 737-9 and 737-10 in the amount of ***.



3. Exhibit C to the AGTA, "Product Assurance Document".

3.1 Part 2, Article 3.1, subsection (i), of Exhibit C of the AGTA is revised to read as follows:

for Boeing aircraft models 777F, 777-200, 777-300ER, 737-600, 737-700, 737-800, 737-900, 737-7, 737-8, 737-9, 737-10, 787 or new aircraft models designed and manufactured with similar, new technology and for the model 747-8, the warranty period ends *** months after Delivery.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-In-Fact

UAL-PA-03776-LA-1208596R1
AGTA Matters

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Page 3

BOEING PROPRIETARY



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance,
Procurement and Treasurer

UAL-PA-03776-LA-1208596R1
AGTA Matters

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BOEING PROPRIETARY



UAL-PA-03776-LA-1703858R1

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

Subject: *** Program for the 737-*** Aircraft

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Continental Holdings, Inc. (**Customer**) relating to Model 737 *** aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. For the purposes of this Letter Agreement, the term 737-*** Aircraft shall also include any 737-*** aircraft added to the Purchase Agreement subsequent to the date of this SA-9. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1703858 dated June 15, 2017.

1. Definitions.

737-* Notice** means the written communication provided by Boeing to Customer in accordance with the requirements of Article 4.1, below.

737-* Program Aircraft** means each 737-*** Aircraft specified in Table 1A of the Purchase Agreement as of the date of this Letter Agreement.

2. Applicability.

Notwithstanding any other provision of the Purchase Agreement to the contrary, the parties agree that the *** for the Airframe Price and *** Features Prices for each 737-*** Program Aircraft shall be determined in accordance with ***.

3. *** Forecast.

Boeing will release an *** forecast in *** of each year based on Boeing's then current standard ***. Only one *** forecast shall be used to conduct the *** analysis performed in accordance with Article 4.1, below, for a given 737-*** Program Aircraft. The *** forecast applicable to a given 737-*** Program Aircraft is set forth in Attachment A.

UAL-PA-03776-LA-1703858R1
*** Program

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BOEING / UNITED AIRLINES, INC. PROPRIETARY

4. ***.

4.1 If the *** forecast, as set forth in Article 3, above, ***, as set forth in Attachment B, *** any 737-*** Program Aircraft that is *** such *** forecast, as set forth in Attachment A, then Boeing shall issue a 737-*** Notice to the Customer by the date set forth in Attachment A. Such 737-*** Notice shall, ***, either:

4.1.1 *** for such affected 737-*** Program Aircraft *** as set forth in Attachment B; or

4.1.2 provide Customer with the *** as set forth in Attachment B and the actual *** factor determined in accordance with ***; or

4.1.3 provide Customer with *** as set forth in Attachment B, with Boeing and Customer *** as set forth in Attachment B ***.

4.1.4 In the event that Boeing *** the 737-*** Notice as detailed in Article 4.1.2 or Article 4.1.3 and Customer ***, then Customer *** the Purchase Agreement with respect to such affected 737-*** Program Aircraft.

4.2 If Boeing provides Customer the *** described in Article 4.1.2 or Article 4.1.3 above, then Customer shall notify Boeing *** contained in Articles 4.1.2, 4.1.3, or 4.1.4 above within *** of its receipt of the 737-*** Notice from Boeing. In the event Customer *** in accordance with Article 4.1.4 above, then Boeing *** to Customer, *** for the *** 737-*** Program Aircraft.

4.2.1 Within *** of Boeing's receipt of *** notice for any such *** 737-*** Program Aircraft under Article 4.2 above, Boeing *** written notice to Customer *** related to such *** 737-*** Program Aircraft ***, by Customer.

4.2.2 Should Customer *** any notice to Boeing in accordance with Article 4.2 above, then the *** for such 737-*** Program Aircraft shall be *** in accordance with Article 4.1.2.

4.3 In the event that the *** of a 737-*** Program Aircraft that is subject to either Article 4.1.1, Article 4.1.2 or Article 4.1.3 above, *** applicable to such 737-*** Program Aircraft will be determined pursuant to Article 5 below.

5. ***.

5.1 If the *** forecast, as set forth in Article 3, *** any 737-*** Program Aircraft *** as set forth in Attachment B and *** as set forth in Attachment B, *** for such 737-*** Program Aircraft *** as set forth in Attachment B *** as set forth in Attachment B ***.

5.2 In the event the *** at *** of a 737-*** Program Aircraft subject to Article 5.1 above, *** applicable to such 737-*** Program Aircraft will be determined pursuant to Article 6 below.

6. ***.

If the *** forecast, as set forth in Article 3, above, ***, as set forth in Attachment B, *** any 737-*** Program Aircraft *** such *** forecast, as set forth in Attachment A, then such *** applicable to such 737-*** Program Aircraft ***:



6.1 If the *** of a 737-*** Program Aircraft, *** as set forth in Attachment B for such 737-*** Program Aircraft, then the *** for such 737-*** Program Aircraft.

6.2 *** of a 737-*** Program Aircraft, *** as set forth in Attachment B for such 737-*** Program Aircraft, then the *** for such 737-*** Program Aircraft *** as set forth in Attachment B.

7. Applicability to ***.

The ***, identified in the Purchase Agreement as subject to *** pursuant to Supplemental Exhibit AE2, and which pertains to the 737-*** Program Aircraft shall be *** established in this Letter Agreement for such 737-*** Program Aircraft *** provisions of the Purchase Agreement ***.

8. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer’s becoming the operator of the Aircraft and cannot be assigned in whole or, in part.

9. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-In-Fact

UAL-PA-03776-LA-1703858R1
*** Program

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By /s/ Gerald Laderman

Its Senior Vice President Finance, Procurement and
Treasurer

UAL-PA-03776-LA-1703858R1

*** Program

BOEING / UNITED AIRLINES, INC. PROPRIETARY

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ATTACHMENT A
***** Forecast & 737-*** Notice Date**

*** Forecast	Applicable to 737-*** Program Aircraft Delivering in Time Period	737-*** Notice Date
***	***	***

Attachment A to UAL-PA-03776-LA-1703858R1

*** Fixed Program

BOEING / UNITED AIRLINES, INC. PROPRIETARY

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ATTACHMENT B
***** Factors - *** Base Year**

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

Attachment B to UAL-PA-03776-LA-1703858R1
*** Program

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



UAL-PA-03776-LA-1801367

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

Subject: Loading of Customer Software

Reference: Purchase Agreement No. 03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 *** aircraft (**Aircraft**)

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

1. Introduction.

1.1 At Customer's request, Boeing will to perform a courtesy load of Customer-unique aircraft operational software and associated data owned by or licensed to Customer (**Customer Software**) on the Aircraft. The terms and conditions of this Letter Agreement will apply if Customer has accepted Boeing's offer to perform a courtesy load of Customer Software on the Aircraft.

1.2 Customer Software is not part of the Aircraft type design therefore the Aircraft *** for delivery with such Customer Software installed on the Aircraft. For the Aircraft systems included in the Aircraft type design, Boeing will install its baseline production software to certify the Aircraft for *** to Customer.

2. Customer Software Loading.

2.1 At Customer's request, Boeing will temporarily load Customer Software on the Aircraft prior to Aircraft certification to support standard Customer inspection activities for the Aircraft. Following the Customer inspection activities, Boeing will remove the Customer Software.

2.2 At Customer's request, Boeing will load Customer Software on the Aircraft promptly following *** to Customer.

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Loading of Customer Software

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



3. Additional Terms and Conditions.

3.1 Customer must provide the Customer Software to Boeing in support of Boeing's schedule requirements. If any Customer Software load is ***, Boeing *** such Customer Software and Boeing will load Boeing baseline production software, if applicable, on the Aircraft.

3.2 Customer is responsible for all testing, verification, quality assurance, and operational approval of Customer Software.

3.3 Customer Software is BFE for the purposes of Articles 3.1.3, 3.2, 3.4, 3.5, 9, 10, and 11 of Exhibit A "Buyer Furnished Equipment Provisions Document" of the AGTA and such Articles apply to the loading of Customer Software.

3.4 The loading of Customer Software is a service under Exhibit B "Customer Support Document" of the AGTA.

3.5 Boeing makes no *** for the Customer Software loading services and Article 11 of Part 2 of Exhibit C "Disclaimer and Release; Exclusion of Liabilities" of the AGTA and Article 8.2 "Insurance" of the AGTA apply to the loading of Customer Software.

4. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776- LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-In-Fact

UAL-PA-03776-LA-1801367
Loading of Customer Software

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Page 2

BOEING / UNITED AIRLINES, INC. PROPRIETARY



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement
and Treasurer

UAL-PA-03776-LA-1801367
Loading of Customer Software

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BOEING / UNITED AIRLINES, INC. PROPRIETARY

UAL-PA-03776-LA-1801619

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

Subject: Installation of Cabin Systems Equipment

Reference: Purchase Agreement No. 03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 *** aircraft (**Aircraft**)

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

Customer has requested that Boeing install in the Aircraft the In-Flight Entertainment and communications systems (collectively referred to as **Cabin Systems Equipment** or **CSE**) described in (i) Attachment A1 to this Letter Agreement for the 737-*** Aircraft and (ii) Attachment A2 to this Letter Agreement for the 737-*** Aircraft (Attachments A1 and A2 collectively referred to herein as **Attachment A**). CSE is BFE that Boeing purchases for Customer and that is identified in the Detail Specification for the applicable Aircraft.

1. Customer Responsibilities.

1.1 For 737-*** Aircraft, Customer has already selected CSE suppliers (**Supplier(s)**) system configuration and Options identified in Attachment A1 to this Letter. For the 737-*** Aircraft, Customer will select Suppliers and system configuration from among those identified in the Option(s) listed in Attachment A2 to this Letter Agreement (Attachment A1 and Attachment A2 referred to collectively as **Attachment A**), ***; or as otherwise available in the then current Standard Selections Catalog and formally offered by Boeing.

1.2 Customer will enter into initial agreements with their selected Suppliers, or otherwise cause the selected Suppliers, to actively participate with Customer and Boeing in meetings, including but not limited to the Initial Technical Coordination Meeting (**ITCM**), to ensure that Supplier's functional system specifications meet Customer's and Boeing's respective requirements. Such functional system specifications define functionality to which Boeing will test prior to delivery but are not a guarantee of functionality at delivery.

UAL-PA-03776-LA-1801619
Installation of Cabin System Equipment

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



1.3 Customer will enter into final agreements with the selected Suppliers that will:

1.3.1 include the actual statement of work as defined at the ITCM. Final agreements will also include price, warranty, training, product support following Aircraft delivery (including spares support), and any other special business arrangements required by Customer;

1.3.2 require Supplier to assist the seat suppliers in the preparation of seat assembly functional test plans and procedures and coordinate integration testing; and

1.3.3 require Supplier to comply with Boeing's type design and type certification data development and protection requirements where the Supplier has type design/certification responsibility. The requirements will require Suppliers to (i) maintain type design/certificate data for *** such type certificate for all type design and (ii) entitle Boeing to access, review, and receive such type design/certification data. These requirements will be provided to Customer upon request.

2. Boeing Responsibilities.

2.1 Boeing will:

2.1.1 perform the Project Manager functions stated in Attachment B;

2.1.2 provide Aircraft interface requirements to Suppliers;

2.1.3 assist Suppliers in the development of CSE system specifications and approve such specifications;

2.1.4 release purchase orders, including on-dock dates to Supplier on behalf of Customer, and manage such purchase orders;

2.1.5 coordinate the resolution of technical issues with Suppliers;

2.1.6 ensure that at the time of Aircraft delivery the CSE configuration meets the requirements of the Option(s) contained in Attachment A to this Letter Agreement as such Attachment A may be amended from time to time; and

2.1.7 obtain FAA certification of the Aircraft with the conforming CSE installed therein.



3. Software.

CSE systems may contain software of the following two types:

3.1 Certification Software. The software required to functionally test, operate and certify the CSE systems on the Aircraft is the Certification Software and is part of the CSE.

3.2 Customer's Software. The software which is defined by the Customer to support specified features and appearance is Customer's Software and is not part of the CSE.

3.2.1 Customer is solely responsible for specifying Customer's Software functional and performance requirements and ensuring that Customer's Software meets such requirements. Customer and Customer's Software supplier will have total responsibility for the writing, certification, modification, revision, or correction of any of Customer's Software. Boeing will not perform the functions and obligations described in paragraph 1.2 above, or the Project Manager's functions described in Attachment B, for Customer's Software.

3.2.2 The omission of any Customer's Software or the lack of any functionality of Customer's Software will not be a valid condition for Customer's rejection of the Aircraft at the time of Aircraft delivery unless such omission or lack of functionality is due to a breach by Boeing of its obligations under this Purchase Agreement.

3.2.3 Boeing has no obligation to approve any documentation to support Customer's Software certification. Boeing will only review and operate Customer's Software if in Boeing's reasonable opinion such review and operation is necessary to certify the CSE on the Aircraft.

3.2.4 Boeing will not be responsible for obtaining FAA certification for Customer's Software.

4. Changes.

Any changes to CSE may only be made by and between Boeing and the Supplier. Customer requested changes to the CSE specification after execution of this Letter Agreement will be made in writing directly to Boeing for approval and for coordination by Boeing with the Supplier. Any such change to the configuration of the Aircraft will be subject to *** through Boeing's master change or other process for amendment of the Purchase Agreement. Any Supplier price increase or decrease resulting from such change will be negotiated between Customer and Supplier.

4.1 Boeing and Customer recognize that the developmental nature of the CSE may require changes to the CSE or the Aircraft in order to ensure (i) compatibility of the CSE with the Aircraft and all other Aircraft systems, and (ii) FAA certification of the Aircraft with the CSE installed therein. In such event Boeing will notify Customer and recommend to Customer



the most practical means for incorporating any such change. If *** after such notification Customer and Boeing cannot mutually agree on the incorporation of any such change or alternate course of action, the remedies available to Boeing in Paragraph 6 will apply.

5. Supplier Defaults.

Boeing will notify Customer in a timely manner in the event of a default by a Supplier under the Supplier's purchase order with Boeing. *** of Customer's receipt of such notification, Boeing and Customer will agree on an alternate Supplier or other course of action. If Boeing and Customer are unable to agree on an alternate Supplier or course of action within such time, the remedies available to Boeing in paragraph 6 will apply.

6. Exhibits B and C to the AGTA.

CSE is deemed to be BFE for the purposes of Exhibit B, Customer Support Document, and Exhibit C, the Product Assurance Document, of the AGTA.

7. Boeing's Remedies.

If Customer does not perform its obligations as provided in this Letter Agreement or if a Supplier fails (for any reason other than a default by Boeing under the purchase order terms or this Letter Agreement) to deliver conforming CSE per the schedule set forth in the purchase order, then, in addition to any other remedies which Boeing may have by contract or under law, Boeing may:

7.1 revise the scheduled delivery month of the Aircraft to accommodate the delay in delivery of the conforming CSE and base the calculation of the *** Adjustment on such revised delivery month;

7.2 deliver the Aircraft without part or all of the CSE installed, or with part or all of the CSE inoperative; and/or

7.3 increase the Aircraft Price by the amount of Boeing's additional costs attributable to such noncompliance, including but not limited to, *** associated with *** by Boeing, any *** due to a Supplier's failure to perform in accordance with CSE program milestones as established by Boeing and agreed to by the Supplier and particularly with respect to *** of such CSE.

8. Price and Payment.

8.1 ***. An estimated price for the CSE purchased by Boeing will be included in the Aircraft *** to establish the *** for each Aircraft. The estimated price for the Boeing purchased CSE installed on each Aircraft is identified in Table 1 of the Purchase Agreement.



8.2 Aircraft Price. The Aircraft Price will include the actual CSE prices and any associated costs, including but not limited to transportation and import or export fees, charged to Boeing by Suppliers.

9. Customer's Indemnification of Boeing.

THE PROVISIONS OF AGTA, EXHIBIT A, BUYER FURNISHED EQUIPMENT PROVISIONS DOCUMENT, "INDEMNIFICATION OF BOEING" WILL APPLY TO CSE.

10. Title and Risk of Loss.

Title to CSE will remain with Boeing from the time that Boeing receives title to the CSE until the Aircraft title is transferred to Customer. Risk of loss will remain with the entity that is in possession of the CSE prior to Aircraft delivery.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters contained herein, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/ Irma L. Krueger

Its Attorney-In-Fact

UAL-PA-03776-LA-1801619
Installation of Cabin System Equipment

BOEING / UNITED AIRLINES, INC. PROPRIETARY

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Page 5



ACCEPTED AND AGREED TO this

Date: May 15, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance,
Procurement and Treasurer

UAL-PA-03776-LA-1801619
Installation of Cabin System Equipment

BOEING / UNITED AIRLINES, INC. PROPRIETARY

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Page 6



ATTACHMENT A1

BOEING MODEL 737-*** AIRCRAFT CABIN SYSTEMS EQUIPMENT

The following optional features (**Options**), under the terms and conditions of this Letter Agreement, are considered to be CSE. Each of the Options below is fully described in the Detail Specification as described in Exhibit A to the Purchase Agreement.

Option Number and Title

*** **

*** **

*** **

*** **

*** **

Attachment A1 (***) to UAL-PA-04761-LA-1801476 SA-10
Installation of Cabin Systems Equipment Page 1

BOEING / UNITED AIRLINES, INC. PROPRIETARY



ATTACHMENT A2

BOEING MODEL 737-*** AIRCRAFT CABIN SYSTEMS EQUIPMENT

The following listing describes items of equipment that under the terms and conditions of this Letter Agreement are considered to be CSE (each such element referred to herein as an **Option** or **Options** as the context requires) with each such Option being more fully described in its corresponding Option Data Page. Final configuration will be based on Customer acceptance of any or all Options listed below.

.
Option Number and Title

**Option
Number Option Title**

*** ***

*** ***

*** ***

*** ***

*** ***

..



ATTACHMENT B

PROJECT MANAGER

11. Project Management.

Boeing will perform the following functions for the CSE. Boeing will have authority to make day-to-day management decisions, and decisions on technical details which in Boeing's reasonable opinion do not significantly affect form, fit, function, cost, or aesthetics. Boeing will be responsible for:

- (i) managing the development of all program schedules;
- (ii) evaluating Supplier's program management and developmental plans to meet Boeing's production schedule;
- (iii) defining program metrics and status requirements;
- (iv) scheduling and conducting program design and schedule reviews with Customer and Suppliers, as needed;
- (v) monitoring compliance with schedules;
- (vi) evaluating and approving any recovery plans or plan revisions which may be required of either Suppliers or Customer;
- (vii) managing the joint development of the CSE system specification; and
- (viii) leading the development of a joint CSE project management plan (**Project Plan**).



12. System Integration.

Boeing's performance as Project Manager will include the functions of systems integrator (**Systems Integrator**). As Systems Integrator Boeing will perform the following functions:

- (i) as required, assist Suppliers in defining their system specifications for the CSE, approve such specifications and develop an overall system functional specification;
- (ii) Coordinate Boeing, Customer and Supplier teams to ensure the Project Plan includes sufficient Supplier testing, Supplier sub-system testing, and an overall CSE system acceptance test; and
- (iii) organize and conduct technical coordination meetings with Customer and Supplier(s) to review responsibilities, functionality, Aircraft installation requirements and overall program schedule, direction and progress.

13. Seat Integration.

- (i) Boeing will coordinate the interface requirements between seat suppliers and Suppliers. Interface requirements are defined in Boeing Document No's. D6-36230, "Passenger Seat Design and Installation"; D6-36238, "Passenger Seat Structural Design and Interface Criteria"; D222W232, "Seat Wiring and Control Requirements"; and D222W013-4, "Seat Assembly Functional Test Plan", as amended and superseded from time to time.

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

Supplemental Agreement No. 9

to

Purchase Agreement No. 3860

between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 787 Aircraft

UAL-PA-3860

SA-9

Page 1

BOEING / UNITED AIRLINES, INC. PROPRIETARY

THIS SUPPLEMENTAL AGREEMENT No. 9 (**SA-9**), entered into as of May 31, 2018, by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement No. 3860 dated September 27, 2012, as amended and supplemented (**Purchase Agreement**), relating to the purchase and sale of Boeing model 787 aircraft (**Aircraft**). This Supplemental Agreement is an amendment to the Purchase Agreement;

WHEREAS, Boeing and Customer agree to *** of *** 787-*** Aircraft;

WHEREAS, Customer has previously executed documents reflecting Customer acceptance of Configuration Changes for the 787-*** as reflected in Table 1 entitled "787-*** Aircraft Delivery, Description, Price and ***" last revised by Supplemental Agreement 7 to the Purchase Agreement (**787-*** Table 1**), the parties now wish to incorporate an Exhibit A2 aligned with such 787-*** Table 1.

WHEREAS, Customer has previously executed documents reflecting Customer acceptance of Configuration Changes (as that term is defined in Letter Agreement UAL-PA-03860-LA-01373 entitled "787-*** *Open Configuration and Other Matters*" (**Open Matters Letter for the 787-*****)) through Customer's acceptance of Customer Specific Option Selection Packages A through M for specified Boeing Model 787-*** aircraft (**787-*** Customer Configured Aircraft**).

WHEREAS, Customer and Boeing now desire to conform and further amend the Purchase Agreement to:

- (i) Confirm all Customer Configuration Changes;
- (ii) Revise Table 1 entitled "787-*** Aircraft with GENX-1B*** Engines Delivery, Description, Price and ***" to reflect such Customer Configuration Changes; and
- (iii) Replace existing Exhibit A-3 with a revised Exhibit A-3 reflecting the Customer Configuration Changes for the 787-*** Customer Configured Aircraft;

WHEREAS, Customer and Boeing agree to incorporate (i) certain *** revisions; (ii) assignment matter elements; and (iii) *** rights in certain 787-*** Aircraft into the Purchase Agreement;

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

1. Table of Contents.

The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-9").

2. Tables.

Table 1 entitled "787-*** Aircraft with GENX-1B*** Engines Delivery, Description, Price and ***" is deleted in its entirety and replaced with the attached similarly titled "Table 1" (identified by "SA-9") to incorporate the (i) Customer Configuration Changes for each of the first *** 787-*** Customer Configured Aircraft and (ii) *** of *** 787-*** Aircraft .

3. Exhibits.

3.1. Exhibit A2 relating to 787-*** Aircraft with GENX-1B*** Engines is replaced in its entirety with a revised Exhibit A2 (identified by "SA-9") is hereby incorporated into the Purchase Agreement to specify the elements comprising the *** Features incorporated in Table 1 entitled "787-*** Aircraft Delivery, Description, Price and ***" (such Table 1 identified by "SA-6").

3.2. Exhibit A3 is replaced in its entirety with a revised Exhibit A3 (identified by "SA-9") to incorporate the Customer Configuration Changes for each 787-*** Customer Configured Aircraft.

4. Letter Agreements.

4.1. Letter Agreement UAL-PA-03860-LA-1209413R2 entitled "Special Matters" is deleted in its entirety and replaced with Letter Agreement UAL-PA-03860-LA-1209413R3 (identified by "SA-9").

4.2. Letter Agreement UAL-PA-03860-LA-1802899 entitled "Assignment Matters" (identified by "SA-9") is incorporated into the Purchase Agreement.

4.3. Letter Agreement UAL-PA-03860-LA-1802900 entitled "**** Rights for Certain 787 Aircraft" (identified by "SA-9") is incorporated into the Purchase Agreement.

5. Miscellaneous.

Boeing and Customer agree that

- (i) *** of *** from Purchase Agreement No. 2484;
- (ii) An *** relating to *** Aircraft in the amount of *** from Purchase Agreement No. 2484; and
- (iii) *** of *** from this Purchase Agreement

are *** this Supplemental Agreement No. 9.

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

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

THE BOEING COMPANY

UNITED AIRLINES, INC.

/s/ Irma L. Krueger

/s/ Gerald Laderman

Signature

Signature

Irma L. Krueger

Gerald Laderman

Printed Name

Printed Name

Attorney-in-Fact

Senior Vice President Finance and
acting Chief Financial Officer

Title

Title

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

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<u>ARTICLES</u>		<u>SA NUMBER</u>
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Article 2.	Delivery Schedule	SA-1
Article 3.	Price	SA-1
Article 4.	Payment	SA-1
Article 5.	Additional Terms	SA-1

TABLE

1	787-*** Aircraft Delivery, Description, Price and ***	SA-7
1A.	*** 787-*** with GENX-1B*** Engines Aircraft Information Table	SA-9

EXHIBITS

A2*	787-*** Aircraft Configuration	SA-9
A3.	787-*** Aircraft Configuration	SA-9
B.	Aircraft Delivery Requirements and Responsibilities	

* - Note: There is no Exhibit A1 in this Purchase Agreement

SUPPLEMENTAL EXHIBITS

AE1.	***/Airframe and *** Features	
BFE1.	BFE Variables for the 787-*** Aircraft	SA-7
CS1.	Customer Support Document	
EE1.	Engine ***/Engine Warranty ***	
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UAL-PA-03860-LA-1209409	Spare Parts Initial Provisioning	
UAL-PA-03860-LA-1209410	Special Matters Relating to COTS Software and End User License Agreements	
UAL-PA-03860-LA-1209411	Special Terms – Seats and In-flight Entertainment	
UAL-PA-03860-LA-1209417	Model 787 Post-Delivery Software & Data Loading	
 <u>CONFIDENTIAL LETTER AGREEMENTS</u>		
UAL-PA-03860-LA-1209236R1	Model ***	SA-1
	Attachment A, 787-*** Airframe Pricing of *** Aircraft with General Electric GENx-1B***	SA-1
	Attachment B, 787-*** with General Electric GENx-1B***	SA-1
	Attachment C, 787-*** with General Electric GENx-1B***	SA-1
UAL-PA-03860-LA-1209412	Spare Parts Commitment	
UAL-PA-03860-LA-1209413R3	Special Matters	SA-9
UAL-PA-03860-LA-1209413A1R3	Special Matters – Amendment 1	SA-7
UAL-PA-03860-LA-1209414	Other Special Matters	
UAL-PA-03860-LA-1209413A1	Other Special Matters - Amendment 1	SA-1
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UAL-PA-03860-LA-1209429	***	

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CONFIDENTIAL LETTER AGREEMENTS, continued

SA NUMBER

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UAL-PA-03860-LA-1301373	787-*** Aircraft Open Configuration and Other Matters	SA-1
UAL-PA-03860-LA-1301375R1	Provisions Relating to Customer's *** for 787-*** Aircraft	SA-7
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UAL-PA-03860-LA-1703319	Privileged and Confidential Matters	SA-8
UAL-PA-03860-LA-1802899	Assignment Matters	SA-9
UAL-PA-03860-LA-1802900	*** Rights for Certain 787 Aircraft	SA-9

SUPPLEMENTAL AGREEMENTS

DATED AS OF

Supplemental Agreement No. 1	June 17, 2013
Supplemental Agreement No. 2	December 16, 2013
Supplemental Agreement No. 3	July 22, 2014
Supplemental Agreement No. 4	January 14, 2015
Supplemental Agreement No. 5	May 12, 2015
Supplemental Agreement No. 6	December 31, 2015
Supplemental Agreement No. 7	March 7, 2016
Supplemental Agreement No. 8	June 7, 2017
Supplemental Agreement No. 9	May 31, 2018

Table 1 to Purchase Agreement No. 3860
787-* Aircraft with GENX-1B*** Engines Delivery, Description, Price and *****
(787-*/GE/***)**

Airframe Model/MTOW:	787-***	*** pounds #	Detail Specification:	***
Engine Model/Thrust:	GENX-1B*** ¹	*** pounds	Airframe Price Base Year/*** Formula:	*** ***
Airframe Price:		\$***	Engine Price Base Year/*** Formula:	*** ***
*** Features:		\$***	Airframe *** Data:	
Sub-Total of Airframe and Features:		\$***	Base Year Index (ECI):	***
Engine Price (Per Aircraft) :		\$*** ¹	Base Year Index (CPI):	***
Aircraft Basic Price (Excluding BFE/SPE):		\$***	Engine *** Data:	
Buyer Furnished Equipment (BFE) Estimate:		\$***	Base Year Index (ECI):	***
In-Flight Entertainment (IFE) Estimate:		\$***	Base Year Index (CPI):	***

# of Aircraft	Delivery Date	Number of Aircraft	*** Factor (Airframe)	*** Factor (Engine)	See footnote for *** forecast being used	Serial Number +	*** Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
								***	***	***	***
***	***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
Total:		***									

1 Pursuant to GE agreement: GENx-1B*** thrust rating at GENx-1B*** price in ***.

* ** ** Factors ***

Purchased MTOW is *** pounds. Aircraft are eligible for the provisions of Letter Agreement UAL-PA-03860- LA-1301375R1 entitled "Provisions Relating to Customer's *** for 787-*** Aircraft"

+ Serial Numbers Identified are for informational purposes only and subject to change

787-*** AIRCRAFT CONFIGURATION

between

THE BOEING COMPANY

and

UNITED AIRLINES, INC.

Exhibit A2 to Purchase Agreement Number 3860 for

787-*** Aircraft with GENX-1B*** Engines

P.A. No. 3860

A2
BOEING PROPRIETARY

SA-9

AIRCRAFT CONFIGURATION

relating to

BOEING MODEL 787-*** AIRCRAFT

The Detail Specification is Boeing document entitled Detail specification *** (the designator is *** due to the Detail Specification being aligned by manufacturer serial number (**MSN**), e.g., for the 787-*** aircraft bearing MSN ***, the Detail Specification is number ***, Rev (New)). The Detail Specification provides further description of Customer's configuration set forth in this Exhibit A and is derived from ***, dated *** as amended to incorporate the optional features (**Options**) listed below, including the effects on Manufacturer's Empty Weight (**MEW**) and Operating Empty Weight (**OEW**). The Aircraft Basic Price reflects and includes all effects of such Options except such Aircraft Basic Price does not include the price effects of any Buyer Furnished Equipment or Seller Purchased Equipment. As soon as practicable, Boeing will furnish to Customer copies of the Detail Specification, which copies will reflect such Options.

There is no additional processing fee added to the master change price for addition or deletion of catalog options within appropriate lead times.

***	***	***	***
-----	-----	-----	-----

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

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

Option Number	Title	Price Per Aircraft ***	*** Price Per Aircraft ***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
	TOTAL	***	***

787-*** AIRCRAFT CONFIGURATION

between

THE BOEING COMPANY

and

UNITED AIRLINES, INC.

Exhibit A3 to Purchase Agreement Number 03860 for

787-*** Aircraft with GENX-1B*** Engines

AIRCRAFT CONFIGURATION

relating to

BOEING MODEL 787-*** AIRCRAFT

The Detail Specification is Boeing document entitled Detail specification ***. (The designator is *** due to the Detail Specification being aligned by manufacturer serial number (**MSN**), e.g., for the 787-*** aircraft bearing MSN ***, the Detail Specification is number ***). The Detail Specification provides further description of Customer's configuration set forth in this Exhibit A and will be derived from ***, Revision ***, dated *** as amended to incorporate the optional features (**Options**) listed below, including the effects on Manufacturer's Empty Weight (**MEW**) and Operating Empty Weight (**OEW**). The Aircraft Basic Price reflects and includes all effects of such Options except such Aircraft Basic Price does not include the price effects of any Buyer Furnished Equipment or Seller Purchased Equipment. As soon as practicable, Boeing will furnish to Customer copies of the Detail Specification, which copies will reflect such Options.

There is no additional processing fee added to the master change price for addition or deletion of catalog options within appropriate lead times.

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

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



UAL-PA-03860-LA-1209413R3

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

Subject: Special Matters

Reference: Purchase Agreement No. 3860 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. relating to Model 787 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used and not defined in this Letter Agreement have the same meaning as in the Purchase Agreement. This Letter Agreement replaces and supersedes Letter UAL-PA-03860-LA-1209413R2 dated June 7, 2017

1. ***.

1.1. 787-***.

In consideration of Customer's purchase of 787-*** Aircraft, Boeing *** at the time of delivery of each 787-*** Aircraft and 787-*** Aircraft, a *** to Customer ***. The *** is subject to the *** as *** at the time of delivery. *** may *** to *** at the time of delivery for such Aircraft, or for the *** of Boeing *** and ***, but not for *** on Aircraft.

1.2. 787-***.

In consideration of Customer's purchase of 787-*** Aircraft, Boeing *** at the time of delivery of each 787-*** Aircraft and 787-*** Aircraft, a *** to Customer in ***. The *** is subject to the *** as *** at the time of delivery. *** may *** to *** at the time of delivery for such Aircraft, or for the *** of Boeing *** and ***, but *** on Aircraft.

1.3. 787-***.

In consideration of Customer's purchase of 787-*** Aircraft, Boeing *** at the time of delivery of each 787-*** Aircraft and 787-*** Aircraft, a *** to Customer in ***. The *** is subject to the *** as *** at the time of delivery. *** may *** to *** at the time of delivery for such Aircraft, or for the *** of Boeing *** and ***, but *** on Aircraft.

2. Model 787 ***.

Boeing hereby affirms that the offer contained herein ***. Furthermore, *** for the 787 aircraft *** 787 ***, Boeing will *** to the terms and conditions of the Purchase Agreement to ***.



4.3. Boeing Invoice. Boeing shall submit to Customer, not less than *** prior to the end of each quarter, an invoice for *** during each such quarter. Customer's payment is due and payable to Boeing on the first business day of the following month. Boeing's invoice will show *** during the quarter for each Aircraft for which *** have been ***. The invoice will also include *** on *** with respect to other aircraft in other purchase agreements between Customer and Boeing.

4.4. *** for the Launch Aircraft. With respect to the first aggregate quantity of *** 787-*** Aircraft to be delivered to Customer under any purchase agreement (collectively and each a **Launch Aircraft**), the parties agree that payment of the Article 4.1 interest obligation will be *** of each Launch Aircraft (**Launch Aircraft *** Obligation**). At time of delivery of each Launch Aircraft, Boeing *** to *** the Launch Aircraft ***Obligation.

4.5. Certain ***. Notwithstanding the *** Schedule contained in Table 1 of the Purchase Agreement or the terms set forth in Section 3 herein, Customer may *** for any Aircraft on order as of the date of signing the applicable Purchase Agreement, and for any *** Aircraft in accordance with the terms of Section 3 herein; provided, however, that Customer shall retain the right to either (a) *** set forth in Section 3 herein, and to the extent that Customer *** then Customer's *** Boeing *** shall be *** or (b) *** from time to time by up to *** provided that (1) Boeing *** to such *** and (2) ***.

5. Option Aircraft ***.

5.1. Notwithstanding the amount specified in the Attachment to Option Aircraft Letter Agreement UAL-PA-03860-LA-1209265R1 (**Option Aircraft Letter**) as the Attachment and/or the Option Aircraft Letter is subsequently revised, amended or supplemented, Boeing ***.

5.2. Notwithstanding paragraph 5.1 above, Boeing and Customer agree that for the *** 787-*** Aircraft added as part of Supplemental Agreement No. 1, the *** Deposit shall be *** Aircraft. Such *** Deposit has already been received by Boeing for *** 787-*** Aircraft. The *** Deposit for the *** Aircraft is due upon signing of Supplemental Agreement No 1 to the Purchase Agreement.

6. ***.

Boeing agrees to *** at the time of delivery of each Aircraft *** in ***. This *** or for Boeing *** and ***.

7. Aircraft Invoices.

Upon Customer request, at the time of Aircraft delivery Boeing agrees to provide a separate invoice addressed to the owner/trustee of such Aircraft specifying the dollar amount to be received at the time of delivery. The dollar amount on the invoice shall be provided by Customer.



8. Assignment of ***.

Customer may not assign the *** described in this Letter Agreement without Boeing's prior written consent ***.

9. Confidential Treatment.

Boeing and Customer understand that certain information contained in this Letter Agreement, including any attachments hereto, is considered by both parties to be confidential. Boeing and Customer agree that each party will treat this Letter Agreement and the information contained herein as confidential and will not, without the other party's prior written consent, disclose this Letter Agreement or any information contained herein to any other person or entity except as may be required by applicable law or governmental regulations.

[The rest of the page is intentionally blank. Signature page follows.]



Very truly yours,

THE BOEING COMPANY

By /s/ Irma L. Krueger

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: May 31, 2018

UNITED AIRLINES, INC.

By /s/ Gerald Laderman

Its Senior Vice President Finance and
acting Chief Financial Officer



UAL-PA-03860-LA-1802899

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

Subject: Assignment Matters

- References: 1) Purchase Agreement No. 03860 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 787 aircraft (**Aircraft**); and
- 2) Aircraft General Terms Agreement dated as of October 10, 1997 between the parties, identified as AGTA-CAL (AGTA)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement and the AGTA. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement or the AGTA, as the context requires.

1. Assignment of Customer's Interest.

Notwithstanding any statement to the contrary in the Purchase Agreement or the AGTA, Boeing will consent to any reasonable request by Customer to assign the Purchase Agreement to any Customer controlled subsidiary provided that:

1.1 Customer notifies Boeing of its intent to exercise its right to assign Aircraft in writing no less than *** prior to the first day of the scheduled delivery month of the Aircraft to be assigned, or such lesser period as the parties mutually agree;

1.2 Boeing shall not be subject to any additional liability as a result of the assignment which Boeing would not otherwise be subject to under the Purchase Agreement;

1.3 Customer's assignment will include all of its rights and obligations under the Purchase Agreement with respect to the Aircraft and Customer's assignee will assume all of Customer's right and obligations under the Purchase Agreement with respect to the Aircraft.

1.4 Customer's assignee is a controlled subsidiary of Customer at the time of assignment.

1.5 The assignment shall not modify in any respect the continued rights of Boeing under the Purchase Agreement, or require Boeing to divest itself of title to or possession of the Aircraft, or any other things, until delivery thereof and full payment is provided to Boeing; and



1.6 Boeing is provided with an adequate guarantee of performance of all obligations under this Purchase Agreement in a form reasonably satisfactory to Boeing;

2. Assignment.

Except as provided herein, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's ***.

3. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03860-LA-1703319 entitled "Privileged and Confidential Matters".

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-in-Fact



ACCEPTED AND AGREED TO this

Date: May 31, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance and acting Chief
Financial Officer

UAL-PA-03860-LA-1802899
Assignment Matters

BOEING / UNITED AIRLINES, INC. PROPRIETARY

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UAL-PA-03860-LA-1802900

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

Subject: *** Rights for Certain 787 Aircraft

Reference: Purchase Agreement No. 03860 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 787 aircraft (**Aircraft**)

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

1. In response to Customer's ***, Boeing is *** to the scheduled delivery month of *** 787-*** aircraft (***** 787-*** Aircraft**) specified in Attachment 1 to this Letter Agreement as follows:

1.1 If Customer desires to *** of the scheduled delivery month of the *** 787-*** Aircraft, then Customer must provide written notice to Boeing by a date that is *** (**Approval Deadline**) of its *** the *** delivery month of the *** 787-*** Aircraft (Such notice referred to herein as a *** **Notice** and the *** 787-*** Aircraft included in the *** Notice are defined as the *** **787-*** Aircraft**).

1.1.1 If Customer provides *** Notice pursuant to Section 1.1 above prior to the Approval Deadline in respect of the *** 787-*** Aircraft, then with respect to each of the *** 787-*** Aircraft:

1.1.1.1 The scheduled delivery month *** specified in the column identified as "****" in Attachment 1 to this Letter Agreement.

1.1.1.2 Other than the ***, all rights and obligations of both parties, including the ***, will continue in respect of each of the *** 787-*** Aircraft.

1.1.1.3 The parties agree to use reasonable efforts to execute a definitive supplemental agreement to revise Table 1 of the Purchase Agreement to reflect the *** of each *** 787-*** Aircraft within *** of the date of receipt of the *** Notice by Boeing.

1.1.1.4 Boeing will *** in respect of the *** Aircraft and *** Customer obligations for (i) *** obligations; (ii) amounts due at aircraft delivery or (iii) Customer's *** of Boeing *** and ***.

1.2 Unless Customer provides Boeing with a *** Notice by the Approval Deadline:

UAL-PA-03860-LA-1802900
*** Rights: Certain 787 Aircraft

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BOEING / UNITED AIRLINES, INC. PROPRIETARY



1.2.1 The *** for each *** 787-*** Aircraft will be due according to the payment schedule included in Attachment 1 to this Letter Agreement; and

1.2.2 Each *** 787-*** Aircraft shall be deemed a 787-*** Aircraft; or if *** pursuant to Letter Agreement No. UAL-PA-03860-LA-1209236R1 entitled "Model ***", a 787-*** Aircraft or a 787-*** Aircraft, as applicable, for all purposes of the Purchase Agreement including the Letter Agreement entitled "Special Matters".

1.3 The parties agree to execute a revision of Letter Agreement 6-1162-RCN-1935 Amendment 1R5 by no later than December 5, 2018 for actions taken or not taken by Customer as a result of this Letter Agreement.

2. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03860-LA-1703319 entitled "Privileged and Confidential Matters".

3. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03860-LA-1802899 entitled "Assignment Matters", the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's ***.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-in-Fact



ACCEPTED AND AGREED TO this

Date: May 31, 2018

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance and
acting Chief Financial Officer

UAL-PA-03860-LA-1802900
*** Rights: Certain 787 Aircraft

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Attachment 1 to UAL-PA-03860-LA-1802900
*****787-*** Aircraft with GENX-1B*** Engines Delivery, Description, Price**

(787-*/GE/***)**

Airframe Model/MTOW:	787-***	*** pounds #	Detail Specification:	***
Engine Model/Thrust:	GENX-1B***1	*** pounds	Airframe Price Base Year/*** Formula:	*** **
Airframe Price:		\$***	Engine Price Base Year/*** Formula:	*** **
*** Features:		\$***	Airframe *** Data:	
Sub-Total of Airframe and Features:		\$***	Base Year Index (ECI):	***
Engine Price (Per Aircraft) :		\$*** 1	Base Year Index (CPI):	***
Aircraft Basic Price (Excluding BFE/SPE):		\$***	Engine *** Data:	
Buyer Furnished Equipment (BFE) Estimate:		\$***	Base Year Index (ECI):	***
In-Flight Entertainment (IFE) Estimate:		\$***	Base Year Index (CPI):	***

# of Aircraft	Delivery Date	Number of Aircraft	*** Factor (Airframe)	*** Factor (Engine)	See footnote for *** forecast being used	Serial Number +	*** Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
								***	***	***	***
***	***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
Total:		***									

1 Pursuant to GE agreement: GENx-1B*** thrust rating at GENx-1B*** price in ***.

* ** *** Factors ***

Purchased MTOW is *** pounds. Aircraft are eligible for the provisions of Letter Agreement UAL-PA-03860- LA-1301375R1 entitled "Provisions Relating to Customer's *** for 787-*** Aircraft"

+ Serial Numbers Identified are for informational purposes only and subject to change

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

(In millions, except ratios)	Six Months Ended June 30, 2018	2017 (a)	2016 (a)	2015	2014	2013
Earnings:						
Earnings before income taxes	\$ 1,041	\$ 3,040	\$ 3,773	\$ 4,219	\$ 1,128	\$ 539
Add (deduct):						
Fixed charges, from below	702	1,417	1,430	1,428	1,648	1,629
Amortization of capitalized interest	5	9	11	12	12	11
Distributed earnings of affiliates	—	—	1	1	1	—
Interest capitalized	(33)	(84)	(72)	(49)	(52)	(49)
Equity earnings in affiliates	(8)	(4)	—	(2)	(1)	(1)
Earnings as adjusted	\$ 1,707	\$ 4,378	\$ 5,143	\$ 5,609	\$ 2,736	\$ 2,129
Fixed charges:						
Interest expense	\$ 353	\$ 671	\$ 674	\$ 669	\$ 735	\$ 783
Portion of rent expense representative of the interest factor (b)	349	746	756	759	913	846
Fixed charges	\$ 702	\$ 1,417	\$ 1,430	\$ 1,428	\$ 1,648	\$ 1,629
Ratio of earnings to fixed charges	2.43	3.09	3.60	3.93	1.66	1.31

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. See Note 1 to the financial statements contained in Part I, Item 1 of United Continental Holdings, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 for additional information related to the adjusted results.

(b) Imputed interest applied to rent expense.

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

(In millions, except ratios)	Six Months Ended June 30, 2018	2017 (a)	2016 (a)	2015	2014	2013
Earnings:						
Earnings before income taxes	\$ 1,041	\$ 3,042	\$ 3,775	\$ 4,221	\$ 1,110	\$ 637
Add (deduct):						
Fixed charges, from below	702	1,417	1,430	1,429	1,655	1,627
Amortization of capitalized interest	5	9	11	12	12	11
Distributed earnings of affiliates	—	—	1	1	1	—
Interest capitalized	(33)	(84)	(72)	(49)	(52)	(49)
Equity earnings in affiliates	(8)	(4)	—	(2)	(1)	(1)
Earnings as adjusted	<u>\$ 1,707</u>	<u>\$ 4,380</u>	<u>\$ 5,145</u>	<u>\$ 5,612</u>	<u>\$ 2,725</u>	<u>\$ 2,225</u>
Fixed charges:						
Interest expense	\$ 353	\$ 671	\$ 674	\$ 670	\$ 742	\$ 781
Portion of rent expense representative of the interest factor (b)	349	746	756	759	913	846
Fixed charges	<u>\$ 702</u>	<u>\$ 1,417</u>	<u>\$ 1,430</u>	<u>\$ 1,429</u>	<u>\$ 1,655</u>	<u>\$ 1,627</u>
Ratio of earnings to fixed charges	<u>2.43</u>	<u>3.09</u>	<u>3.60</u>	<u>3.93</u>	<u>1.65</u>	<u>1.37</u>

(a) Amounts adjusted due to the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. See Note 1 to the financial statements contained in Part I, Item 1 of United Airlines, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 for additional information related to the adjusted results.

(b) Imputed interest applied to rent expense.

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

I, Oscar Munoz, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2018 of United Continental Holdings, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Oscar Munoz

Oscar Munoz
Chief Executive Officer

Date: July 18, 2018

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

I, Gerald Laderman, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2018 of United Continental Holdings, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Gerald Laderman

Gerald Laderman

Senior Vice President Finance and acting Chief Financial Officer

Date: July 18, 2018

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

I, Oscar Munoz, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2018 of United Airlines, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Oscar Munoz

Oscar Munoz
Chief Executive Officer

Date: July 18, 2018

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

I, Gerald Laderman, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2018 of United Airlines, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Gerald Laderman

Gerald Laderman

Senior Vice President Finance and acting Chief Financial Officer

Date: July 18, 2018

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

Each undersigned officer certifies that to the best of his knowledge based on a review of the quarterly report on Form 10-Q for the quarterly period ended June 30, 2018 of United Continental Holdings, Inc. (the "Report"):

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of United Continental Holdings, Inc.

Date: July 18, 2018

/s/ Oscar Munoz

Oscar Munoz

Chief Executive Officer

/s/ Gerald Laderman

Gerald Laderman

Senior Vice President Finance and acting Chief Financial Officer

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

Each undersigned officer certifies that to the best of his knowledge based on a review of the quarterly report on Form 10-Q for the quarterly period ended June 30, 2018 of United Airlines, Inc. (the "Report"):

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of United Airlines, Inc.

Date: July 18, 2018

/s/ Oscar Munoz

Oscar Munoz

Chief Executive Officer

/s/ Gerald Laderman

Gerald Laderman

Senior Vice President Finance and acting Chief Financial Officer