

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS  
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended November 30, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_ to \_\_\_

Commission File No. 1 - 6033

A. United Air Lines, Inc.  
Flight Attendant Employees' 401(k) Retirement  
-----  
Savings Plan  
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(Full title of the Plan)

United Air Lines, Inc.  
-----  
(Employer sponsoring the Plan)

B. UAL Corporation  
-----  
(Issuer of the shares held pursuant to the Plan)

1200 Algonquin Road, Elk Grove Township, Illinois  
Mailing Address: P.O. Box 66100, Chicago, Illinois 60666  
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(Address of principal executive offices)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS  
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To the Board of Directors  
of United Air Lines, Inc.:

We have audited the accompanying statements of net  
assets available for plan benefits of the United  
Air Lines, Inc. Flight Attendant Employees' 401(k)  
Retirement Savings Plan as of November 30, 1998 and  
1997, and the related statements of changes in net  
assets available for plan benefits for the years  
then ended. These financial statements are the  
responsibility of the Plan Administrator. Our  
responsibility is to express an opinion on these

financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan Administrator, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the United Air Lines, Inc. Flight Attendant Employees' 401(k) Retirement Savings Plan as of November 30, 1998 and 1997, and the changes in its net assets available for plan benefits for the years then ended in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Chicago, Illinois  
May 26, 1999

Signature

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Pursuant to the requirements of the Securities Exchange Act of 1934, the United Air Lines, Inc. Pension and Welfare Plans Administration Committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

United AirLines, Inc.  
Flight AttendantEmployees'  
401(k) Retirement Savings Plan  
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Dated May 27, 1999

By /s/ Douglas A. Hacker  
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Douglas A. Hacker  
Member, United Air  
Lines, Inc. Pension  
and Welfare Plans  
Administration Committee

UNITED AIR LINES, INC.  
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FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

	November 30	
	1998	1997
INVESTMENT IN MASTER TRUST		
Magellan Fund	\$ 60,025	\$ 37,784
Equity-Income Fund	36,565	28,838
Growth Company Fund	147,348	122,535
Government Securities Fund	3,896	998
OTC Portfolio	32,321	24,554
Overseas Fund	47,608	44,059
Balanced Fund	50,193	40,910
Asset Manager	8,616	5,254
Asset Manager: Growth	15,596	11,059
Asset Manager: Income	1,377	1,340
Retirement Money Market Portfolio	9,706	5,268
U.S. Bond Index Portfolio	3,444	1,591
U.S. Equity Index Portfolio	161,391	123,790
Stated Return Fund	132,029	132,868
Blended Income Fund	48,637	40,804
UAL Stock Fund	26,517	29,338
Participant Loan Fund	10,273	-
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$795,542	\$650,990

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

1998

	MAGELLAN FUND ----	EQUITY- INCOME FUND ----	GROWTH COMPANY FUND ----	GOVERNMENT SECURITIES FUND ----
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 37,784	\$ 28,838	\$122,535	\$ 998
CONTRIBUTIONS	7,367	4,655	14,305	225
TRANSFERS BETWEEN FUNDS	6,264	859	(7,167)	2,539
TRANSFERS BETWEEN PLANS	266	(66)	470	23
RESULTS OF INVESTMENT ACTIVITY				
Dividends	2,907	1,728	12,925	109
Interest	-	-	-	-
Net appreciation (depreciation) in value of investments	7,051	1,629	8,701	53
	9,958	3,357	21,626	162
PAYMENTS TO PLAN PARTICIPANTS	(1,600)	(1,067)	(4,396)	(50)
ADMINISTRATIVE EXPENSES	(14)	(11)	(25)	(1)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 60,025	\$ 36,565	\$147,348	\$ 3,896

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30 1998

OTC PORTFOLIO -----	OVERSEAS FUND ----	BALANCED FUND ----	ASSET MANAGER -----
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NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 24,554	\$ 44,059	\$ 40,910	\$ 5,254
CONTRIBUTIONS	3,904	5,518	4,703	970
TRANSFERS BETWEEN FUNDS	71	(4,777)	(1,370)	1,793
TRANSFERS BETWEEN PLANS	74	118	25	(15)
RESULTS OF INVESTMENT ACTIVITY				
Dividends	2,893	2,174	6,528	554
Interest	-	-	-	-
Net appreciation (depreciation) in value of investments	1,957	2,502	905	201
	4,850	4,676	7,433	755
PAYMENTS TO PLAN PARTICIPANTS	(1,128)	(1,979)	(1,498)	(139)
ADMINISTRATIVE EXPENSES	(4)	(7)	(10)	(2)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 32,321	\$ 47,608	\$ 50,193	\$ 8,616

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

1998				
ASSET MANAGER: GROWTH	ASSET MANAGER: INCOME	RETIREMENT MONEY MARKET PORTFOLIO	U.S. BOND INDEX PORTFOLIO	U.S. EQUITY INDEX PORTFOLIO

NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 11,059	\$ 1,340	\$ 5,268	\$ 1,591	\$123,790
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CONTRIBUTIONS	2,367	181	756	374	7,149
TRANSFERS BETWEEN FUNDS	606	(110)	3,989	1,334	4,161
TRANSFERS BETWEEN PLANS	70	(30)	-	2	282
RESULTS OF INVESTMENT ACTIVITY					
Dividends	1,183	127	379	158	-
Interest	-	-	-	-	-
Net appreciation (depreciation) in value of investments	745	27	-	52	30,007
	1,928	154	379	210	30,007
PAYMENTS TO PLAN PARTICIPANTS	(430)	(158)	(684)	(67)	(3,978)
ADMINISTRATIVE EXPENSES	(4)	-	(2)	-	(20)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 15,596	\$ 1,377	\$ 9,706	\$ 3,444	\$ 161,391

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

	Year ended November 30				
	1998				
	STATED RETURN FUND	BLENDED INCOME FUND	UAL STOCK FUND	PARTICIPANT LOANS	TOTAL
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$132,868	\$ 40,804	\$ 29,338	-	\$650,990
CONTRIBUTIONS	68	8,174	4,399	-	65,115
TRANSFERS BETWEEN FUNDS	(7,914)	(1,352)	2,424	(1,350)	-

TRANSFERS	-----	-----	-----	-----	-----
BETWEEN PLANS	(255)	737	203	-	1,904
RESULTS OF					
INVESTMENT					
ACTIVITY					
Dividends	-	-	-	-	31,665
Interest	10,015	2,855	-	366	13,236
Net appreciation					
(depreciation) in					
value investments	-	-	(8,531)	-	45,299
	10,015	2,855	(8,531)	366	90,200
PAYMENTS TO PLAN					
PARTICIPANTS	(2,734)	(2,532)	(1,273)	11,257	(12,456)
ADMINISTRATIVE					
EXPENSES	(19)	(49)	(43)	-	(211)
NET ASSETS					
AVAILABLE					
FOR PLAN					
BENEFITS,					
end of year	\$132,029	\$ 48,637	\$ 26,517	\$ 10,273	\$795,542
	=====	=====	=====	=====	=====

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

	Year ended November 30			
	-----			
	1997			
	-----			
	MAGELLAN	EQUITY-	GROWTH	GOVERNMENT
	FUND	INCOME	COMPANY	SECURITIES
	FUND	FUND	FUND	FUND
	----	----	----	----
NET ASSETS				
AVAILABLE				
FOR PLAN				
BENEFITS,				
beginning of year	\$ 24,337	\$ 13,650	\$ 99,574	\$ 1,059
	-----	-----	-----	-----
CONTRIBUTIONS	5,001	3,328	13,779	109
	-----	-----	-----	-----
TRANSFERS				
BETWEEN FUNDS	2,949	7,493	(4,395)	(211)
	-----	-----	-----	-----
TRANSFERS				

BETWEEN PLANS	(5)	(7)	(32)	-
	-----	-----	-----	-----
RESULTS OF INVESTMENT ACTIVITY				
Dividends	848	992	3,974	42
Interest	-	-	-	-
Net appreciation (depreciation) in value of investments	4,967	3,709	10,945	4
	-----	-----	-----	-----
	5,815	4,701	14,919	46
	-----	-----	-----	-----
PAYMENTS TO PLAN PARTICIPANTS	(311)	(323)	(1,304)	(5)
ADMINISTRATIVE EXPENSES	(2)	(4)	(6)	-
	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 37,784	\$ 28,838	\$122,535	\$ 998
	=====	=====	=====	=====

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

	Year ended November 30			
	-----			
	1997			
	-----			
	OTC	OVERSEAS	BALANCED	ASSET
	PORTFOLIO	FUND	FUND	MANAGER
	-----	----	----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 15,236	\$ 36,521	\$ 31,972	\$ 3,606
	-----	-----	-----	-----
CONTRIBUTIONS	3,348	5,889	4,394	752
	-----	-----	-----	-----
TRANSFERS BETWEEN FUNDS	4,214	(2,007)	(1,289)	196
	-----	-----	-----	-----
TRANSFERS BETWEEN PLANS	(1)	(7)	(6)	(7)
	-----	-----	-----	-----
RESULTS OF INVESTMENT ACTIVITY				
Dividends	1,386	2,234	3,257	306
Interest	-	-	-	-



Net appreciation (depreciation) in value investments	522	1,770	3,223	426
	-----	-----	-----	-----
	1,908	4,004	6,480	732
	-----	-----	-----	-----
PAYMENTS TO PLAN PARTICIPANTS	(151)	(340)	(637)	(25)
	-----	-----	-----	-----
ADMINISTRATIVE EXPENSES	-	(1)	(4)	-
	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 24,554	\$ 44,059	\$ 40,910	\$ 5,254
	=====	=====	=====	=====

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

	Year ended November 30				
	-----				
	1997				
	-----				
	ASSET MANAGER: GROWTH	ASSET MANAGER: INCOME	RETIREMENT MONEY MARKET PORTFOLIO	U.S. BOND INDEX PORTFOLIO	U.S. EQUITY INDEX PORTFOLIO
	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 6,362	\$ 383	\$ 3,656	\$ 742	\$ 89,866
	-----	-----	-----	-----	-----
CONTRIBUTIONS	1,768	137	634	182	5,413
	-----	-----	-----	-----	-----
TRANSFERS BETWEEN FUNDS	1,472	768	853	577	2,825
	-----	-----	-----	-----	-----
TRANSFERS BETWEEN PLANS	-	-	-	-	(20)
	-----	-----	-----	-----	-----
RESULTS OF INVESTMENT ACTIVITY					
Dividends	545	33	263	78	-
Interest	-	-	-	-	-
Net appreciation (depreciation) in values of investments	1,108	26	-	17	26,688
	-----	-----	-----	-----	-----
	1,653	59	263	95	26,688
	-----	-----	-----	-----	-----

PAYMENTS TO PLAN PARTICIPANTS	(195)	(7)	(137)	(5)	(979)
ADMINISTRATIVE EXPENSES	(1)	-	(1)	-	(3)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 11,059	\$ 1,340	\$ 5,268	\$ 1,591	\$123,790

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

	Year ended November 30			
	1997			
	STATED RETURN FUND	BLENDED INCOME FUND	UAL STOCK FUND	TOTAL
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$138,477	\$ 36,888	\$ 14,356	\$516,685
CONTRIBUTIONS	-	7,378	2,947	55,059
TRANSFERS BETWEEN FUNDS	(13,263)	(5,360)	5,178	-
TRANSFERS BETWEEN PLANS	(21)	108	(1)	1
RESULTS OF INVESTMENT ACTIVITY				
Dividends	-	-	-	13,958
Interest	9,648	2,550	-	12,198
Net appreciation (depreciation) in value of investments	-	-	7,060	60,465
	9,648	2,550	7,060	86,621
PAYMENTS TO PLAN PARTICIPANTS	(1,965)	(727)	(185)	(7,296)

ADMINISTRATIVE EXPENSES	(8)	(33)	(17)	(80)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$132,868	\$ 40,804	\$ 29,338	\$650,990

The accompanying notes to financial statements are an integral part of these statements.

UNITED AIR LINES, INC.

FLIGHT ATTENDANT EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF THE PLAN

This description is for general information purposes only. Participants should refer to their summary plan description for detailed benefit information.

a. General and Plan Participants

The United Air Lines, Inc. Flight Attendant Employees' 401 (k) Retirement Savings Plan ("Plan") covers all employees of United classified as flight attendants and who are members of the Association of Flight Attendants. Eligible employees are eligible to become participants on their date of hire. The Plan is contributory and is subject to the Employee Retirement Income Security Act of 1974, as amended.

b. Contributions and Vesting

Eligible employees may elect to contribute to the Plan, in multiples of 1%, any percentage of their covered earnings, up to 25% of each paycheck, subject to a maximum of \$9,500 in 1997 and \$10,000 in 1998. Lower limits may apply to certain highly compensated participants if the Plan does not pass certain nondiscrimination tests required by law. Contributions and earnings are credited to separate accounts maintained for each participant. Participants are immediately vested in their salary deferral contributions. Section 415(c) of the Internal Revenue Code limits the total amount of contributions from all qualified defined contribution retirement plans to the lesser of 25% of annual taxable earnings or \$30,000.

Participants may elect to invest in one or a combination of the investment funds described in note (1)(d). Additionally, they may subsequently change their contribution rate, redesignate the allocation of contributions or transfer existing balances among investment funds, subject to the limits set forth in the Plan.

Contributions include \$969,298 and \$185,400 for 1998 and 1997, respectively, which were transferred from other qualified plans as rollovers under Internal Revenue Code Sections 402(c) and 408(d).

c. Trustee and Recordkeeper

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Fidelity Management Trust Company ("Fidelity") is the Plan Trustee and Fidelity Institutional Retirement Services Company is the recordkeeper of the Plan.

d. Master Trust Funds

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Fidelity provides each participant with fifteen investment options: Fidelity Magellan Fund; Fidelity Equity-Income Fund; Fidelity Growth Company Fund; Fidelity Government Securities Fund; Fidelity OTC Portfolio; Fidelity Overseas Fund; Fidelity Balanced Fund; Fidelity Asset Manager; Fidelity Asset Manager: Growth; Fidelity Asset Manager: Income; Fidelity Retirement Money Market Portfolio; Fidelity U.S. Bond Index Portfolio; Fidelity U.S. Equity Index Portfolio; Blended Income Fund and the UAL Stock Fund. These funds are managed by Fidelity or Fidelity Investments (manager of Fidelity Mutual Funds). The investments represent the Plan's allocable share of the funds.

The Stated Return Fund is invested in Connecticut General's general portfolio. The investment and interest earned on the Stated Return Fund are guaranteed against loss by Connecticut General. Interest is credited monthly to the participant's account and is net of administrative expenses. The rate of interest for any period of time is determined by Connecticut General and may be changed from time to time. Any such change will be declared in advance and will become effective as of the first day of the month immediately following the date the notice is given. The net rate for 1998 was 8.00%. No further contributions can be made to this fund.

The Fidelity U.S. Equity Index Portfolio primarily invests in the common stocks of the companies that make up the S&P 500 Index. Assets are valued at market prices quoted on the New York Stock Exchange ("NYSE").

Assets in the UAL Stock Fund are invested in UAL Corporation common stock and are valued at market prices quoted on the NYSE. Participants may invest in the UAL Stock Fund through direct salary deferrals.

The Blended Income Fund includes investment contracts purchased by Fidelity from approved institutions that meet its stringent credit standards at the time of purchase. The fund may also include other high quality, income-oriented investments. The contracts held by the Blended Income Fund are fully benefit responsive, and accordingly, have been included in the financial statements at contract value. There are no reserves against contract value for credit risk of the contract issuers or otherwise. The fair values of the investment contracts at November 30, 1998 and 1997 were \$48,656 and \$40,718 (in thousands), respectively. The average yield for the years ending November 30, 1998 and 1997 was approximately 6.6%. The crediting interest rates as of November 30, 1998 and 1997 were approximately 5.7 % and 6.5%, respectively.

The remaining investment options are public mutual funds traded on the NYSE. Portfolio securities and other assets are valued primarily on the basis of market quotations or, if quotations are not readily available, by a method which each fund's Board of Trustees believes accurately reflects fair value. Foreign securities are valued based on quotations from the primary market in which they are traded and are

translated from the local currency into U.S. dollars using current exchange rates.

The Fidelity Magellan Fund invests primarily in securities of domestic, foreign, and multinational issuers in the form of common stocks, securities convertible into common stocks, and, occasionally, debt securities.

The Fidelity Equity-Income Fund invests primarily in income-producing equity securities, both domestic and foreign. It seeks to achieve income greater than that of the S&P 500.

The Fidelity Growth Company Fund invests in common stocks, securities convertible into common stocks, and, occasionally, debt obligations from companies viewed as having unusual opportunities to grow.

The Fidelity Government Securities Fund invests primarily in fully guaranteed U.S. government bonds. The average maturity is approximately two to five years.

The Fidelity OTC Portfolio primarily invests in stocks traded in the "over-the counter" market, which involves the investment in securities of smaller, lesser-known companies.

The Fidelity Overseas Fund normally invests at least 65% of its total assets in common stock, securities convertible to common stock and debt instruments of foreign businesses and governments. Fidelity Investments expects to invest most of the assets in developed countries in these general geographic areas; the Americas (other than the United States), the Far East and Pacific Basin, and Western Europe. The Fidelity Balanced Fund maintains a balance of high-yielding securities, including foreign and domestic stocks and bonds. At least 25% of the assets are invested in fixed-income senior securities. All bonds in the Fund's portfolio are rated BBB or better by Standard & Poor's Corporation, or Baa or better by Moody's Investors Service, Inc.

The Fidelity Asset Manager invests in stocks, bonds and short-term instruments in both domestic and foreign markets to achieve high total returns in the long run. The allocation between these three types of investments is generally 40%, 40%, and 20%, respectively, however it may vary between the following ranges: stocks - 10% to 60%; bonds - 20% to 60%; and short-term instruments - 0% to 70%.

The Fidelity Asset Manager: Growth: invests in stocks, bonds and short-term instruments in both domestic and foreign markets to achieve long term maximum total investment return. The allocation between these three types of investments is generally 65%, 30%, and 5%, respectively, however it may vary between the following ranges: stocks - 0% to 100%; bonds - 0% to 100%; and short-term instruments - 0% to 100%.

The Fidelity Asset Manager: Income: invests in stocks, bonds and short-term instruments in both domestic and foreign markets to achieve a high level of current income, and capital appreciation. The allocation between these three types of investments is generally 20%, 30%, and 50%, respectively, however it may vary between the following ranges: stocks - 0% to 35%; bonds - 20% to 45%; and short-term instruments - 20% to 80%.

The Fidelity Money Market Trust: Retirement Money Market Portfolio: invests in high quality, low risk domestic and foreign money market instruments, primarily short-term instruments with maturities of

three months or less.

The Fidelity U.S. Bond Index Portfolio primarily invests in securities included in the Lehman Brothers Aggregate Bond Index in order to achieve comparable investment results.

Fidelity is authorized to engage in the lending of certain Plan assets. Securities lending is an investment management enhancement that utilizes the existing securities of the Funds to earn additional income. It involves the loan of securities to various approved brokers. In return for loaned securities, Fidelity receives collateral in the form of cash and U.S. government securities as a safeguard against possible default of any borrower on return of the loan. Each loan is collateralized to the extent of 100 percent of the market value of securities on loan. The collateral is marked-to-market on a daily basis to maintain the margin requirement.

e. Withdrawals

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Withdrawals from the Plan may be made as follows, as applicable to the participant's eligibility, amount requested, and existing balances:

Participants who have separated from service (for reasons other than death) may elect payment in the form of a lump sum, periodic distributions, irregular partial distributions, or through the purchase of an annuity. Distributions may also be directly rolled over into an IRA or qualified plan.

Withdrawals of balances attributable to the United Air Lines, Inc. Flight Attendant Employees' Savings Plan or "the Prior Plan" are normally made in the form of a single life annuity, if the participant is unmarried, or a 50% contingent annuity with the spouse as the contingent annuitant, if the participant is married. Spousal consent is required if the participant elects to take a distribution in the form of a lump sum payment, periodic distributions, or other forms of annuities. Withdrawals of balances from the 401(k) account may be made in the form of a lump sum, periodic distributions, irregular partial distributions, or through the purchase of an annuity other than a life annuity. Spousal consent is not required for distribution of 401(k) balances. Participants who have terminated employment are able to defer the distribution of balances attributable to "the Prior Plan" and the 401(k) account until April 1 of the next calendar year after reaching age 70-1/2.

Distributions due to the death of a participant may be taken by the participant's beneficiary in the form of a lump sum payment or through the purchase of an annuity, subject to the limitations of Internal Revenue Code 401(a)(9). The participant's surviving spouse, if any, is automatically the beneficiary of the account, unless the spouse waives this right.

In-service withdrawals for participants who are actively employed or are absent due to reasons of illness, or approved leave of absence who maintain an employer-employee relationship with United Air Lines, Inc. are permitted as follows in lump sum form only:

- Discretionary withdrawals of post-tax contributions and earnings
- Hardship withdrawals from 401(k) account, subject to restrictions described in the Plan

- After reaching age 59-1/2, subject to certain requirements specified in the Plan, all or a portion of the participant's 401(k) account may be withdrawn
- Upon reaching age 70-1/2, minimum distributions required under Internal Revenue Code 401(a)(9) must be taken no later than April 1 following the calendar year that the participant has reached age 70-1/2. Effective January 1, 1997, active participants that have reached age 70-1/2 may choose to defer distribution.

If a participant's account has never exceeded \$3,500, total distribution of the account will be made in a lump sum payment upon termination of employment or death.

Generally, withdrawals are allocated pro-rata to the balances of each of the investment funds in the participant's account. Distributions from UAL Stock Fund, may be made in cash, or in whole shares of UAL Corporation common stock, with fractional shares distributed in cash. Certain restrictions on withdrawals may apply for participants domiciled in, or residents of, non-U.S. locations.

f. Plan Termination Provisions  
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If the Plan is terminated, all amounts credited to a participant's account at the time of termination shall be retained in the Trust and will be distributed in accordance with the normal distribution rules of the Plan.

2. SIGNIFICANT ACCOUNTING POLICIES  
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a. Basis of Accounting  
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The financial statements are presented on the accrual basis.

b. Investments  
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Assets of United's 401(k) Plans Master Trust are owned by all participating United plans consisting of the Management & Salaried Employees' 401(k) Retirement Savings Plan, Ground Employees' 401(k) Retirement Savings Plan, and the Flight Attendant Employees' 401(k) Retirement Savings Plan.

c. Net Appreciation (Depreciation) in Value of Investments  
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Net appreciation (depreciation) in value of investments includes realized and unrealized gains and losses. Realized and unrealized gains and losses are calculated as the difference between fair value at December 1, or date of purchase if subsequent to December 1, and fair value at date of sale or the current year-end. The unrealized gain or loss on investments represents the Plan's allocable share of the difference between fair value at December 1, or date of purchase, and the fair value at the date of sale or the current year-end plus, where applicable, the change in the exchange rate between the U.S. dollar and the foreign currency in which the assets are denominated from December 1, or the date of purchase, to the date of sale or the current year-end.

d. Plan Expenses

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Administrative expenses represent administrative and investment manager fees charged by Fidelity, accountant fees, recordkeeping fees charged by Fidelity Institutional Retirement Services Co. and some administrative fees charged by United. Brokerage and other investment fees are included in the cost of the related security. United performs certain reporting and supervisory functions for the Plan without charge.

e. Transfers between Plans

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Transfers between plans reflects the change in employee coverage and transfer of any related balances between this Plan and other defined contribution plans sponsored by United, including the United Air Lines, Inc. Ground Employees' 401(k) Retirement Savings Plan and the United Air Lines, Inc. Management and Salaried Employees' 401(k) Retirement Savings Plan.

f. Participant Loans

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Effective April 1, 1998, participants may borrow up to fifty percent of their account balance, not to exceed \$50,000. The minimum that may be borrowed is \$1,000. Loans are charged against each investment fund in the ratio of the value of the employee's interest in each fund to the total value of the employee's interest in all funds and are held in the Loan Fund. The loan is repaid through payroll deductions on an after-tax basis for the term of the loan, which is a minimum of six months to a maximum of sixty months and is subject to a reasonable rate of interest (8.75% as of December 31, 1998). The amount paid is reinvested in the participant's account based on the investment allocations at the time of repayment. Prepayment of the full balance of the loan is allowed after six months from the date of the loan without penalty. Participants are able to take out another loan after twelve months from the date the old loan is retired. Upon the employee's termination of employment, a loan not paid in full within 60 days becomes a taxable distribution. Loans in default may be declared due and payable in full immediately, and the Plan administrator may charge the participant's account balances at any time thereafter for the amount of the default. An administrative fee of \$90 is charged to each participant taking a loan and is automatically deducted from the participant's account.

g. Use of Estimates

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The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of net assets available for plan benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for plan benefits during the reporting period. Actual results could differ from those estimates.

3. TAX STATUS

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The Plan obtained its latest determination letter on August 23, 1996. The Internal Revenue Service has determined Plan, as written, is designed in accordance with applicable sections of the Internal Revenue Code.





Exhibit 23

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Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 11-K for the year ended November 30, 1998, into UAL's previously filed Form S-8 and Post Effective Amendment No. 1 to Form S-8 Registration Statement (File No. 33-44553), Form S-8 Registration Statement (File No. 33-62749), Form S-8 Registration Statement (File No. 333-52249), and Form S-8 Registration Statement (File No. 333-63179) for the United Airlines, Inc. Flight Attendant Employees' 401(k) Retirement Savings Plan.

Arthur Andersen LLP

Chicago, Illinois  
May 27, 1999