

-----  
-----  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

-----  
AMENDMENT NO. 1 TO  
SCHEDULE 13E-3  
RULE 13E-3 TRANSACTION STATEMENT  
(PURSUANT TO SECTION 13(E) OF THE SECURITIES EXCHANGE ACT  
OF 1934 AND RULE 13E-3 THEREUNDER)

UAL CORPORATION  
(Name of Issuer)

UAL CORPORATION AND UNITED AIR LINES, INC.  
(Name of Persons Filing Statement)

COMMON STOCK, PAR VALUE \$5 PER SHARE, OF UAL  
(Title of Class of Securities)

902549 5 10 4  
(CUSIP Numbers of Classes of Securities)

LAWRENCE M. NAGIN, ESQ.  
UAL CORPORATION  
P.O. BOX 66100  
CHICAGO, ILLINOIS 60666  
(708) 952-4000

(Name, Address and Telephone Number of Person Authorized to  
Receive Notices and Communications on Behalf of Persons Filing Statement)

Copies to:  
PETER ALLAN ATKINS, ESQ.  
THOMAS H. KENNEDY, ESQ.  
ERIC L. COCHRAN, ESQ.  
SKADDEN, ARPS, SLATE, MEAGHER & FLOM  
919 THIRD AVENUE  
NEW YORK, NEW YORK 10022

This statement is filed in connection with (check the appropriate box):

- a.  The filing of solicitation materials or an information statement subject  
---  
to Regulation 14A, Regulation 14C, or Rule 13e-3(c) under the Securities  
Exchange Act of 1934.
- b.  The filing of a registration statement under the Securities Act of 1933.  
---
- c.  A tender offer.  
---
- d.  None of the above.  
---

Check the following box if the soliciting materials or information statement  
referred to in checking box (a) are preliminary copies.   
---

-----  
-----  
INTRODUCTION

This Amendment No. 1 to Schedule 13E-3 relates to a recapitalization (the  
"Recapitalization") of UAL Corporation, a Delaware corporation (the "Company"  
or "UAL") pursuant to the Agreement and Plan of Recapitalization dated as of  
March 25, 1994 (the "Plan of Recapitalization") among UAL, the Air Line Pilots  
Association, International ("ALPA") and the International Association of

Machinists and Aerospace Workers (the "IAM"). Under the Plan of Recapitalization, each share of Common Stock, par value \$5 per share, of the Company (the "Old Shares") that is outstanding at the Effective Time (as defined in the Plan of Recapitalization) will be converted into, and become a right to receive (a) \$25.80 in cash, (b) \$15.55 principal amount of Series A Debentures due 2004 of United Air Lines, Inc., a Delaware corporation and a wholly-owned subsidiary of UAL ("United") (the "Series A Debentures"), (c) \$15.55 principal amount of Series B Debentures due 2014 of United (the "Series B Debentures" and, together with the Series A Debentures, the "Debentures"), (d) \$31.10 liquidation value of Series B Preferred Stock, without par value, of the Company (the "Public Preferred Stock") and (e) one half (0.5) of a share of new Common Stock, par value \$0.01 per share, of the Company (the "New Shares") (collectively, the "Recapitalization Consideration"). In addition, the Plan of Recapitalization provides for (1) certain amendments to the Company's Certificate of Incorporation and Bylaws that will, among other things, effectuate the Recapitalization and put into place the revised corporate governance structure contemplated by the Plan of Recapitalization and (2) the issuance of new classes of preferred stock that will (a) transfer approximately 53% (which, under certain circumstances may be increased, up to a maximum of approximately 63%) of the common equity and voting power of the Company to employee stock ownership plans to be established for the benefit of certain groups of employees and (b) effectuate the corporate governance structure referred to above by permitting different constituent groups to elect members of the Company's Board of Directors.

The Plan of Recapitalization further provides for certain amendments to the existing ALPA collective bargaining agreement and IAM collective bargaining agreements and the creation of a salaried and management employees cost reduction program, all of which will become effective at the Effective Time and are estimated to provide United with \$8.2 billion in improved operating earnings over a twelve year period with a net present value of approximately \$4.9 billion. Furthermore, certain employee benefit plans maintained by the Company and United will be amended to permit employees to acquire substantial amounts of the New Shares, Public Preferred Stock and the Debentures.

The Plan of Recapitalization is incorporated by reference as Exhibit 2.1 to the Registration Statement on Form S-4 filed by UAL and United with the Securities and Exchange Commission (the "Commission") on the date hereof from Exhibit 10.1 to UAL's Form 8-K dated March 28, 1994.

This Schedule 13E-3 is being filed jointly by UAL and United. By filing this Schedule 13E-3, neither UAL nor United concedes that Rule 13e-3 under the Securities Exchange Act of 1934 (the "Act of 1934") is applicable to the Recapitalization or any other transactions contemplated by the Plan of Recapitalization.

The information set forth in the Registration Statement and Amendment No. 1 to the Registration Statement, filed by UAL and United with the Commission on the date hereof, including the Plan of Recapitalization and other exhibits, is incorporated in its entirety herein by reference. The following is a summary cross-reference sheet pursuant to General Instruction F of Schedule 13E-3, showing the location in the Proxy Statement/Joint Prospectus that is a part of the Registration Statement and the Plan of Recapitalization of information required by Schedule 13E-3. To the extent the requirements of Schedule 13E-3 are met by the Plan of Recapitalization, no attempt is made in the following cross-reference sheet to distinguish more limited requirements of the corresponding Form S-4 items which are also referenced.

SCHEDULE  
13E-3 ITEM  
-----

CAPTION OR LOCATION IN THE PROXY  
STATEMENT/JOINT PROSPECTUS  
-----

Item 1:	Issuer and Class of Security Subject to the Transaction.
(a)	Cover Page; SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Company and United
(b)	Cover Page; SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--Purpose of the Meeting; INTRODUCTION--Voting

	(c)	Rights and Proxy Information SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--Market Prices of the Old Shares; Dividends; MARKET PRICES OF THE SHARES; DIVIDENDS
	(d)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--Market Prices of the Old Shares; Dividends; MARKET PRICES OF THE SHARES; DIVIDENDS
	(e)	Not applicable.
	(f)	Not applicable.
Item 2:	Identity and Background.	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Company and United The persons filing this schedule are the issuer (UAL) and its wholly- owned subsidiary (United).
	(a)-(d)	Not applicable.
	(e)-(f)	None.
	(g)	Not applicable.
Item 3:	Past Contacts, Transactions or Negotiations.	
	(a)	Not applicable.
	(b)	Not applicable.
Item 4:	Terms of the Transaction.	
	(a)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Plan of Recapitalization; THE PLAN OF RECAPITALIZATION; ELECTION OF DIRECTORS; DESCRIPTION OF SECURITIES
	(b)	Not applicable.

2

SCHEDULE  
13E-3 ITEM  
-----

CAPTION OR LOCATION IN THE PROXY  
STATEMENT/JOINT PROSPECTUS  
-----

Item 5:	Plans or Proposals of the Issuer or Affiliate	
	(a)	Not applicable.
	(b)	Not applicable.
	(c)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS-- The Plan of Recapitalization; SPECIAL FACTORS--Management Arrangements; THE PLAN OF RECAPITALIZATION--Revised Governance Structure; --Terms and Conditions
	(d)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS-- The Plan of Recapitalization; THE PLAN OF RECAPITALIZATION--Terms and Conditions; UNAUDITED PRO FORMA FINANCIAL INFORMATION; CAPITALIZATION
	(e)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS-- The Plan of Recapitalization; SPECIAL FACTORS--Implementation of the "Airline- Within-an-Airline" (U2)
	(f)	Not applicable.
	(g)	Not applicable.
Item 6:	Source and Amounts of Funds or Other Consideration.	
	(a)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS-- The Plan of Recapitalization; THE PLAN OF RECAPITALIZATION--Terms and Conditions
	(b)	FEES AND EXPENSES
	(c)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS-- The Plan of Recapitalization; DESCRIPTION OF THE SECURITIES--The Debentures;--The ESOP Preferred Stock
	(d)	Not applicable.
Item 7:	Purpose(s), Alternatives, Reasons and Effects.	
	(a)	SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS-- Background of the Recapitalization; BACKGROUND OF THE PLAN OF RECAPITALIZATION;

- (b) SPECIAL FACTORS--Purpose and Structure of the Recapitalization
- (c) BACKGROUND OF THE PLAN OF RECAPITALIZATION
- (c) SPECIAL FACTORS--Purpose and Structure of the Recapitalization

3

SCHEDULE  
13E-3 ITEM  
-----

CAPTION OR LOCATION IN THE PROXY  
STATEMENT/JOINT PROSPECTUS  
-----

- (d) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
The Plan of Recapitalization; BACKGROUND OF THE PLAN OF RECAPITALIZATION; SPECIAL FACTORS--Certain Company Analyses; --Certain Revenue and Earnings Scenarios; --Effect of the Recapitalization on Income Statement, Book Equity and Cash Flow;--Implementation of the "Airline-Within-an-Airline" (U2); --Unit Costs; CERTAIN FEDERAL INCOME TAX CONSEQUENCES
- Item 8: Fairness of the Transaction.
  - (a) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
The Plan of Recapitalization--Recommendation of the Board; BACKGROUND OF THE PLAN OF RECAPITALIZATION; SPECIAL FACTORS--  
Recommendation of the Board
  - (b) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
The Plan of Recapitalization--Recommendation of the Board; SPECIAL FACTORS--Recommendation of the Board
  - (c) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
Vote Required; INTRODUCTION--Voting Rights and Proxy Information
  - (d) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
The Plan of Recapitalization--Opinions of Financial Advisors to the Board; SPECIAL FACTORS--Opinions of the Financial Advisors to the Board
  - (e) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
The Plan of Recapitalization--Recommendation of the Board; SPECIAL FACTORS--Recommendation of the Board
  - (f) Not applicable
- Item 9: Reports, Opinions, Appraisals and Certain Negotiations.
  - (a) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
The Plan of Recapitalization--Opinions of the Financial Advisors to the Board; BACKGROUND OF THE PLAN OF RECAPITALIZATION; SPECIAL FACTORS--Opinions of the Financial Advisors to the Board; EXPERTS
  - (b) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--  
The Plan of Recapitalization--Opinions of the Financial Advisors to the Board; BACKGROUND OF THE PLAN OF RECAPITALIZATION; SPECIAL FACTORS--Opinions of the Financial Advisors to the Board; EXPERTS
  - (c) INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE; Opinions of CS First Boston Corporation and Lazard Freres & Co. are attached to the Proxy Statement/Joint Prospectus as Annexes I and II, respectively

4

SCHEDULE  
13E-3 ITEM  
-----

CAPTION OR LOCATION IN THE PROXY  
STATEMENT/JOINT PROSPECTUS  
-----

- Item 10: Interest in Securities of the Issuer.  
(a) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--Vote Required  
(b) Not applicable.
- Item 11: Contracts, Arrangements or Understandings with Respect to the Issuer's Securities.  
SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Plan of Recapitalization; THE PLAN OF RECAPITALIZATION--Terms and Conditions;--Establishment of ESOPs;--Revised Governance Structure; DESCRIPTION OF SECURITIES
- Item 12: Present Intention and Recommendation of Certain Persons with Regard to the Transaction.  
(a) None.  
(b) Not applicable.
- Item 13: Other Provisions of the Transaction.  
(a) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Plan of Recapitalization--No Appraisal Rights; INTRODUCTION  
(b) Not applicable.  
(c) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Plan of Recapitalization--Conditions to the Recapitalization; THE PLAN OF RECAPITALIZATION--Terms and Conditions--Conditions
- Item 14: Financial Information.  
(a) INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE; SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS-- Selected Consolidated Historical and Pro Forma Operating Information; SELECTED CONSOLIDATED FINANCIAL AND OPERATING INFORMATION  
(b) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--Selected Consolidated Historical and Pro Forma Operating Information; UNAUDITED PRO FORMA FINANCIAL INFORMATION
- Item 15: Persons or Assets Employed, Retained or Utilized.  
(a) COVER PAGE; SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Plan of Recapitalization-- Opinions of the Financial Advisors to the Board; SPECIAL FACTORS--Opinions of the Financial Advisors to the Board; THE PLAN OF RECAPITALIZATION-- Terms and Conditions; FEE AND EXPENSES

5

SCHEDULE  
13E-3 ITEM  
-----

CAPTION OR LOCATION IN THE PROXY  
STATEMENT/JOINT PROSPECTUS  
-----

- (b) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--The Plan of Recapitalization; SPECIAL FACTORS-- Opinions of the Financial Advisors to

the Board; --Opinion of Valuation Firm; INDEPENDENT PUBLIC ACCOUNTANTS; EXPERTS; LEGAL OPINION; PROXY SOLICITATION

Item 16: Additional Information None.  
Item 17: Material to be Filed as Exhibits

- (a) (1) Indenture dated as of July 1, 1991 between United and The Bank of New York providing for the issuance of Senior Debt Securities in series (filed as Exhibit 4(a) of United's Registration Statement on Form S-3 (No. 33-57192) and incorporated herein by reference).
- (a) (2) Form of Officer's Certificate relating to United's Series A Debentures due 2004 and United's Series B Debentures due 2014 (filed as Schedule 1.3 to Exhibit 10.1 of UAL's Form 8-K dated March 28, 1994 and incorporated herein by reference).
- + (b) (1) Presentation to the UAL Corporation Board of Directors by CS First Boston Corporation and Lazard Freres & Co. dated December 16, 1993.
- + (b) (2) Presentation to the UAL Corporation Board of Directors by CS First Boston Corporation and Lazard Freres & Co. dated December 22, 1993.
- + (b) (3) Presentation to the UAL Corporation Board of Directors by CS First Boston Corporation and Lazard Freres & Co. dated March 14, 1994.
- (c) (1) Same as item filed as Exhibit (a) (1).
- (c) (2) Same as Item filed as Exhibit (a) (2).
- (c) (3) Proposed Restated Certificate of Incorporation of UAL Corporation (filed as Schedule 1.1 to Exhibit 10.1 of UAL's Form 8-K dated March 28, 1994 and incorporated herein by reference).
- (d) (1) Chairman's Letter to Stockholders, Notice of Meeting of Stockholders and the Proxy Statement/Joint Prospectus (filed as a part of UAL's and United's Registration Statement on Form S-4 on the date hereof and incorporated herein by reference).
- (e) Not applicable.
- (f) Not applicable.

+Previously filed.

6

SIGNATURE

After due inquiry, and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

UAL Corporation

/s/ John C. Pope

By: \_\_\_\_\_  
John C. Pope  
Director, President and

Chief Operating Officer

Date: April 20, 1994

7

SIGNATURE

After due inquiry, and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

United Air Lines, Inc.

/s/ John C. Pope

By: \_\_\_\_\_

John C. Pope  
Director, Chairman and  
Chief Executive Officer

Date: April 20, 1994

8