

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2 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. 2 to Schedule 13E-3 relates to a recapitalization (the
"Recapitalization") of UAL Corporation, a Delaware corporation (the "Company"
or "UAL") pursuant to the Amended and Restated Agreement and Plan of
Recapitalization dated as of March 25, 1994, as amended, (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, one half (0.5) of a share of new common stock, par value \$0.01 per share, of the Company (the "New Shares") and one one-thousandth of a share of Series D Redeemable Preferred Stock, without par value, of the Company (the "Series D Redeemable Preferred Stock"). Concurrently with the solicitation of proxies in connection with the Plan of Recapitalization, United Air Lines, Inc. ("United") expects to offer up to \$382.5 million principal amount of its Series A Debentures due 2004 (the "Series A Debentures") (the "United Series A Offering") and up to \$382.5 million principal amount of its Series B Debentures due 2014 (the "Series B Debentures" and, together with the Series A Debentures, the "Debentures") (the "United Series B Offering" and, together with the United Series A Offering, the "United Debt Offerings") and the Company expects to offer up to 30,600,000 depositary shares (the "Depositary Preferred Shares") representing interests in \$765.0 million liquidation preference of Series B Preferred Stock of the Company (the "Public Preferred Stock") (the "UAL Preferred Offering" and, together with the United Series A Offering and the United Series B Offering, the "Offerings"). Immediately upon issuance, the Company will redeem each one one-thousandth of a share of Series D Redeemable Preferred Stock for:

(i) \$25.80 in cash,

(ii) either (a) \$15.55 principal amount of Series A Debentures or (b) if the United Series A Offering is consummated, the cash proceeds (without deducting any underwriting discount or other costs) from the sale thereof by United pursuant to the United Series A Offering,

(iii) either (a) \$15.55 principal amount of Series B Debentures or (b) if the United Series B Offering is consummated, the cash proceeds (without deducting any underwriting discount or other costs) from the sale thereof by United pursuant to the United Series B Offering and

(iv) either (a) Depositary Preferred Shares representing interests in \$31.10 liquidation preference of Public Preferred Stock or (b) if the UAL Preferred Offering is consummated, the cash proceeds (without deducting any underwriting discount or other costs) from the sale thereof by the Company pursuant to the UAL Preferred Offering.

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 55% (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.

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The Plan of Recapitalization is incorporated by reference as Exhibit 2.1 to Amendment No. 3 to the Registration Statement on Form S-4 filed by UAL and United with the Securities and Exchange Commission (the "Commission") on June 10, 1994 from Exhibit 10.1(A) to UAL's Form 8-K dated June 3, 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. 3 to the Registration Statement, filed by UAL and United with the Commission on June 10, 1994, 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 Amendment No. 3 to 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 Rights and Proxy Information
 - (c) 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.

SCHEDULE
13E-3 ITEM

CAPTION OR LOCATION IN THE PROXY
STATEMENT/JOINT PROSPECTUS

- 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.

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.

SCHEDULE
13E-3 ITEM

CAPTION OR LOCATION IN THE PROXY
STATEMENT/JOINT PROSPECTUS

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;
SPECIAL FACTORS--Purpose and Structure of
the Recapitalization

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

SCHEDULE
13E-3 ITEM

CAPTION OR LOCATION IN THE PROXY
STATEMENT/JOINT PROSPECTUS

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

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) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--Vote Required; INTRODUCTION--Voting Rights and Proxy Information.
- (b) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--Vote Required; INTRODUCTION--Voting Rights and Proxy Information.

Item 13: Other Provisions of the Transaction.

- (a) SUMMARY OF PROXY STATEMENT/JOINT PROSPECTUS--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

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SCHEDULE
13E-3 ITEM

CAPTION OR LOCATION IN THE PROXY
STATEMENT/JOINT PROSPECTUS

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 HISTORICAL AND
PRO FORMA 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; FEES AND EXPENSES
- (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.

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SCHEDULE
13E-3 ITEM

CAPTION OR LOCATION IN THE PROXY
STATEMENT/JOINT PROSPECTUS

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 Exhibit 10.1(B) of UAL's Form 8-K dated June 3, 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 Amendment No. 3 to the Registration Statement on Form S-4 dated June 10, 1994 and incorporated herein by reference).
- (e) Not applicable.
- (f) Not applicable.

+Previously filed.

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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: June 15, 1994

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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: June 15, 1994

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