

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: July 23, 1996

(Date of earliest event reported)

UAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	1-6033	36-2675207
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1200 East Algonquin Road, Elk Grove Township, Illinois 60007

(Address of principal executive offices) (Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS.

UAL Corporation (the "Company") is filing herewith a press release issued today by the Company as Exhibit 99.1 which is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

Exhibit No.	Description
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99.1	Press Release

SIGNATURES

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

UAL CORPORATION

By: /s/ Douglas A. Hacker

Name: Douglas A. Hacker
Title: Senior Vice President and
Chief Financial Officer

Dated: July 22, 1996

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release

Corporate Communications Contacts

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UAL CORPORATION REPORTS RECORD-SETTING
SECOND QUARTER EARNINGS

Strong revenue growth drives record-setting second quarter operating and net earnings.

On a fully distributed basis, second quarter earnings before the effects of repurchasing long-term obligations increased 55 percent to \$2.52 for each of the 131.4 million fully distributed shares.

Cash flow from operating activities tops \$900 million before a \$237 million accelerated pension contribution.

CHICAGO, July 23, 1996 -- UAL Corporation (NYSE: UAL), the holding company whose primary subsidiary is United Airlines, today reported in accordance with Generally Accepted Accounting Principles (GAAP) record second quarter net earnings of \$226 million before an extraordinary charge of \$30 million. The \$30 million extraordinary charge was associated with the early repayment of debt totaling \$230 million in principal amount. UAL's second quarter operating earnings of \$398 million were also a company record. For the second quarter of 1995, net earnings were \$151 million on operating earnings of \$302 million. After preferred dividends, the 1996 second quarter earnings on a GAAP basis were \$2.53 per fully diluted share before the effects of repaying debt and repurchasing preferred stock compared to earnings of \$2.12 per share last year.

The company also reported that on a pro forma, fully distributed basis (see below for further explanations of the methodology), second quarter net earnings increased 57 percent to \$337 million before the extraordinary item versus last year's fully distributed net earnings of \$215

million. On a per share basis, fully distributed earnings rose 55 percent to \$2.52 per share before the effects of repaying debt and repurchasing preferred stock from 1995's fully distributed earnings of \$1.63 per share. Fully distributed operating earnings for the quarter improved by 38 percent to \$566 million from \$410 million in 1995.

"We are extremely pleased with our record second quarter results. This quarter's earnings reflect our dramatic increase in passenger revenue, which was driven by our excellent domestic performance," says Gerald Greenwald, chairman and chief executive officer of UAL Corporation. "While our domestic revenue benefited from expiration of the excise tax, our strong yield performance also reflects our efforts to improve customer service and to increase our share of the high-yield business travelers."

"We closed the quarter with June's system yield setting a company record, and overall fare levels lead us to believe that the third quarter should also show strong yield performance. Furthermore, advance reservations for the third quarter look strong throughout the system, so we expect good unit revenue performance. As a result, we expect our third quarter earnings to comfortably exceed the current analyst consensus reported in First Call of \$3.15 per fully distributed share."

"With our continued financial success and the recent 4-for-1 stock split, we are excited about the future prospects for our customers, employees and stockholders."

Operating revenues for the quarter increased 9.1 percent over 1995, from \$3.8 billion to \$4.2 billion. Available seat miles increased 2.7 percent, resulting in a total revenue per available seat mile (unit revenue) increase of 6.4 percent to 10.30 cents, a company record for second quarter unit revenue. The strong gain reflects a second quarter record load factor of 73.1 percent, up 1.2 points from 1995 and a 4.3 percent increase in yield (passenger revenue per passenger mile) to 12.48 cents from 11.97 cents in the second quarter 1995.

Operating expenses for the quarter on a fully distributed basis increased by 5.7 percent from \$3.4 billion in 1995 to \$3.6 billion. Fully distributed operating expenses per available seat mile (unit cost) increased 2.9 percent to 8.89 cents from 8.64 cents a year ago. Excluding fuel expense, which was up 20 percent year over year, unit cost grew by 1.0 percent.

Cash flows from operating activities totaled \$904 million before a \$237 million accelerated pension contribution. In addition to the pension contribution and early repayment of \$230 million principal amount of debt in the second quarter, the remaining \$291 million principal amount of the company's outstanding 6 3/8 percent convertible debentures, which the company called for redemption in the first quarter, was converted. These actions are part of the company's efforts to achieve a Baa2 investment grade credit rating. UAL also repurchased \$43 million of Series B preferred stock during the quarter. Combined with retirements and repurchases completed in the first quarter, these initiatives will save nearly \$100 million annually in gross interest expense and dividends.

At June 30, 1996, long-term debt and capital lease obligations (including current portions) totaled \$3.3 billion, down from \$3.8 billion at March 31, 1996.

Six Month Results

For the first six months of the year, UAL Corporation reported GAAP net earnings of \$233 million before the extraordinary charge, or \$2.49 per share on a fully diluted basis before the effects of repaying debt and repurchasing preferred stock. Operating earnings for this period were \$460 million. For the first two quarters of 1995, UAL reported GAAP net earnings of \$154 million on operating earnings of \$340 million. Fully diluted earnings per share were \$2.13 in 1995 before the effects of preferred stock transactions.

Year-to-date fully distributed net earnings were \$441

million or \$3.29 per fully distributed share before the effects of repaying debt and repurchasing preferred stock. The fully distributed net earnings represent a 61 percent increase over 1995's net earnings of \$274 million (\$2.03 per share before the effect of preferred stock transactions). Fully distributed operating earnings were \$791 million for the six-month period, a 47 percent improvement over 1995's \$537 million.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: Information about third quarter 1996 set forth in this press release is forward looking and actual results could differ materially from expected results. Factors that could significantly impact yields, passenger volumes and earnings include the airline pricing environment, willingness of customers to travel, capacity decisions of other carriers, the general economic environment, the price of fuel and other factors discussed in company filings with the Securities and Exchange Commission.

n.b.: While United reports its earnings under GAAP -- Generally Accepted Accounting Principles -- a more complete understanding of United's performance may be gained by viewing the results on a pro forma, fully distributed basis. This presentation considers all ESOP shares which will be issued to employees over the course of the ESOP period to be immediately outstanding, thus "fully distributed." Consistent with this presentation, the "ESOP compensation expense" -- which reflects the commitment of stock to employees -- is excluded from fully distributed expenses and ESOP convertible preferred stock dividends are not deducted from earnings attributable to common stockholders.

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GAAP Basis:	Three Months Ended June 30		
	1996	1995	% Change
- - - - -	----	----	-----
Operating revenues	\$4,164	\$3,815	+9.1
Operating expenses	\$3,766	\$3,513	+7.2
Earnings from operations	\$ 398	\$ 302	+31.8
Earnings before extraordinary loss on early extinguishment of debt	\$ 226	\$ 151	+49.7
Net earnings	\$ 196	\$ 151	+29.8
Per share, fully diluted:			
Earnings before extraordinary item and effects of preferred stock transactions	\$ 2.53	\$ 2.12	+19.3
Net earnings	\$ 1.99	\$ 2.73	-27.1
Average number of shares outstanding	83.4	69.6	

Fully Distributed Basis (1):

- - - - -			
Operating revenues	\$4,164	\$3,815	+9.1
Operating expenses	\$3,598	\$3,405	+5.7
Earnings from operations	\$ 566	\$ 410	+38.0
Earnings before extraordinary loss on early extinguishment of debt	\$ 337	\$ 215	+56.7
Net earnings	\$ 307	\$ 215	+42.8
Per share:			
Earnings before extraordinary item and effects of preferred stock transactions	\$ 2.52	\$ 1.63	+54.6
Net earnings	\$ 2.18	\$ 1.96	+11.2
Average number of shares outstanding	131.4	130.0	

(1) "Fully distributed" earnings and earnings per share are pro forma presentations which consider all ESOP shares which will ultimately be released to employees by the end of the ESOP period to be immediately outstanding. Therefore the ESOP compensation expense has been excluded from fully distributed earnings and ESOP convertible preferred stock dividends have not been deducted from earnings attributable to common shareholders.

UAL CORPORATION AND SUBSIDIARY COMPANIES
FINANCIAL SUMMARY (UNAUDITED)
(In Millions, Except Per Share)

GAAP Basis:	Six Months Ended June 30		
	1996	1995	% Change
- - - - -	----	----	-----
Operating revenues	\$7,898	\$7,149	+10.5
Operating expenses	\$7,438	\$6,809	+9.2
Earnings from operations	\$ 460	\$ 340	+35.3
Earnings before extraordinary loss on early extinguishment of debt	\$ 233	\$ 154	+51.3
Net earnings	\$ 174	\$ 154	+13.0

Per share, fully diluted:			
Earnings before extraordinary item and effects of preferred stock transactions	\$ 2.49	\$ 2.13	+16.9
Net earnings	\$ 1.51	\$ 2.76	-45.3
Average number of shares outstanding	81.6	68.2	

Fully Distributed Basis (1):			
Operating revenues	\$7,898	\$7,149	+10.5
Operating expenses	\$7,107	\$6,612	+7.5
Earnings from operations	\$ 791	\$ 537	+47.3

Earnings before extraordinary loss on early extinguishment of debt	\$ 441	\$ 274	+60.9
Net earnings	\$ 382	\$ 274	+39.4

Per share:			
Earnings before extraordinary item and effects of preferred stock transactions	\$ 3.29	\$ 2.03	+62.1
Net earnings	\$ 2.68	\$ 2.36	+13.6

Average number of shares outstanding	131.2	130.0	
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(1) "Fully distributed" earnings and earnings per share are pro forma presentations which consider all ESOP shares which will ultimately be released to employees by the end of the ESOP period to be immediately outstanding. Therefore the ESOP compensation expense has been excluded from fully distributed earnings and ESOP convertible preferred stock dividends have not been deducted from earnings attributable to common shareholders.

UAL CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)
(In Millions, Except Per Share)

(In accordance with GAAP)	Three Months Ended June 30		
	1996	1995	% Change
	----	----	-----
Operating revenues:			
Passenger	\$3,694	\$3,392	+8.9
Cargo	192	185	+3.8
Other operating revenues	278	238	+16.8
	-----	-----	
	4,164	3,815	+9.1
	-----	-----	
Operating expenses:			
Salaries and related costs	1,173	1,146	+2.4
ESOP compensation expense	168	108	+55.6
Aircraft fuel	493	412	+19.7
Commissions	373	364	+2.5
Purchased services	297	266	+11.7
Aircraft rent	241	261	-7.7
Landing fees and other rent	213	211	+0.9
Depreciation and amortization	182	174	+4.6
Food services	134	135	-0.7
Aircraft maintenance	118	95	+24.2
Personnel expenses	76	70	+8.6
Other operating expenses	298	271	+10.0
	-----	-----	
	3,766	3,513	+7.2
	-----	-----	
Earnings from operations	398	302	+31.8

Other income (expense):			
Interest expense	(74)	(101)	-26.7
Interest capitalized	24	10	+140.0
Interest income	12	26	-53.8
Equity in earnings of affiliates	17	13	+30.8
Miscellaneous, net	(6)	1	
	-----	-----	
	(27)	(51)	-47.1
Earnings before income taxes and extraordinary item	371	251	+47.8
Provision for income taxes	145	100	+45.0
	-----	-----	
Earnings before extraordinary item	226	151	+49.7
Extraordinary loss on early extinguishment of debt, net of tax	(30)	-	
	-----	-----	
Net earnings	196	151	+29.8
	=====	=====	
Per share, primary:			
Earnings before extraordinary item	\$ 2.37	\$ 3.00	
Extraordinary loss on early extinguishment of debt, net of tax	(0.36)	-	
	-----	-----	
Net earnings	\$ 2.01	\$ 3.00	
	=====	=====	
Per share, fully diluted:			
Earnings before extraordinary item	\$ 2.35	\$ 2.73	
Extraordinary loss on early extinguishment of debt, net of tax	(0.36)	-	
	-----	-----	
Net earnings	\$ 1.99	\$ 2.73	
	=====	=====	

See accompanying notes.

UAL CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)
(In Millions, Except Per Share)

(In accordance with GAAP)	Six Months Ended June 30		
	1996	1995	% Change
	----	----	-----
Operating revenues:			
Passenger	\$6,972	\$6,312	+10.5
Cargo	367	360	+1.9
Other operating revenues	559	477	+17.2
	-----	-----	
	7,898	7,149	+10.5
Operating expenses:			
Salaries and related costs	2,342	2,259	+3.7
ESOP compensation expense	331	197	+68.0
Aircraft fuel	967	790	+22.4
Commissions	711	706	+0.7
Purchased services	573	505	+13.5
Aircraft rent	480	510	-5.9
Landing fees and other rent	419	380	+10.3
Depreciation and amortization	372	337	+10.4
Food services	259	254	+2.0
Aircraft maintenance	230	202	+13.9
Personnel expenses	150	133	+12.8
Other operating expenses	604	536	+12.7
	-----	-----	

	7,438	6,809	+9.2
Earnings from operations	460	340	+35.3
Other income (expense):			
Interest expense	(159)	(203)	-21.7
Interest capitalized	39	22	+77.3
Interest income	31	48	-35.4
Equity in earnings of affiliates	37	27	+37.0
Miscellaneous, net	(26)	23	
	(78)	(83)	-6.0
Earnings before income taxes and extraordinary item	382	257	+48.6
Provision for income taxes	149	103	+44.7
Earnings before extraordinary item	233	154	+51.3
Extraordinary loss on early extinguishment of debt, net of tax	(59)	-	
Net earnings	174	154	+13.0
Per share, primary:			
Earnings before extraordinary item	\$ 2.33	\$ 2.94	
Extraordinary loss on early extinguishment of debt, net of tax	(0.77)	-	
Net earnings	\$ 1.56	\$ 2.94	
Per share, fully diluted:			
Earnings before extraordinary item	\$ 2.24	\$ 2.76	
Extraordinary loss on early extinguishment of debt, net of tax	(0.73)	-	
Net earnings	\$ 1.51	\$ 2.76	

See accompanying notes.

Consolidated Notes

- (1) UAL Corporation is a holding company whose principal subsidiary is United Air Lines, Inc.
- (2) "ESOP compensation expense" represents the estimated average fair value of ESOP convertible preferred stock committed to be released to employees for the period, net of amounts used to satisfy dividend requirements for previously allocated ESOP convertible preferred shares, under Employee Stock Ownership Plans. The fair value of ESOP convertible preferred stock is estimated based on the market value of UAL's common stock. The average market price of UAL's common stock was \$55 per share during the second quarter of 1996 versus \$30 per share during the 1995 second quarter. The average price during the six-month period ending June 30, 1996, was \$50 per share versus \$27 per share for the same six-month period in 1995.
- (3) On May 6, 1996, UAL effected a four-for-one split in its common stock in the form of a 300% dividend. All share and per share data have been retroactively restated to give effect to this stock split.
- (4) Included in "Miscellaneous, net" in the second quarter of 1996 were foreign exchange losses of \$1 million compared to foreign

exchange gains of \$10 million in the 1995 second quarter. The 1996 six-month period included foreign exchange losses of \$6 million compared to foreign exchange gains of \$2 million during the same period in 1995. In addition, the first six months of 1995 included a \$41 million pre-tax gain on disposition of aircraft owned by Air Wisconsin, Inc.

- (5) During the six months ended June 30, 1996, UAL repaid prior to maturity \$472 million in principal amount of various debt securities, resulting in an aggregate extraordinary loss of \$59 million, after tax benefit of \$36 million. Of this amount, \$230 million was repaid during the second quarter, resulting in a \$30 million extraordinary loss, net of tax benefits of \$18 million. The securities were scheduled for repayment periodically through 2021.
- (6) During the second quarter, UAL repurchased 1,709,900 depository shares, representing 1,710 shares of its Series B 12 1/4% preferred stock, at an aggregate cost of \$57 million to be held in treasury. These transactions had no effect on earnings; however, the difference between the cash paid and the carrying value of the preferred stock acquired is included in the computation of earnings per share.

Per share amounts were calculated after providing for dividends on preferred stock, including ESOP convertible preferred stock, of \$16 million in the 1996 second quarter, \$10 million in the 1995 second quarter, \$32 million in the 1996 six-month period ending June 30 and \$23 million in the same 1995 six-month period. Average shares used in the computations were as follows:

	1996	1995
	----	----
	(In Millions)	
Second quarter:		
Primary	82.9	61.5
Fully diluted	83.4	69.6
Six-month period:		
Primary	77.5	59.6
Fully diluted	81.6	68.2

Primary per share amounts for all periods were based on weighted average common shares and common equivalents outstanding, including ESOP shares committed to be released. In addition, the fully diluted per share amounts assume the conversion of convertible debentures (for periods not actually converted) and elimination of related interest.

- (7) During March and April of 1996, holders of \$597 million in principal amount of UAL's outstanding 6 3/8% convertible subordinated debentures exercised their right to convert the debentures into an aggregate of \$324 million of cash and 7,623,092 shares of common stock.

FINANCIAL SUMMARY (UNAUDITED) (in millions)	Three Months Ended June 30		
	1996	1995	% Change
	----	----	-----
Operating revenues	\$4,153	\$3,804	+9.2
Operating expenses (excluding ESOP compensation expense)	3,585	3,393	+5.7
ESOP compensation expense	168	108	+55.6
	-----	-----	
	3,753	3,501	+7.2
	-----	-----	
Earnings from operations (in accordance with GAAP)	\$ 400	\$ 303	+32.0
	=====	=====	

OPERATING STATISTICS

Revenue passengers (in thousands)	20,752	20,247	+2.5
Revenue passenger miles (in millions)	29,486	28,258	+4.3
Available seat miles (in millions)	40,334	39,286	+2.7
Passenger load factor (percent)	73.1	71.9	+1.2 pt.
Breakeven passenger load factor excluding ESOP charges (percent)	61.8	63.2	-1.4 pt.
Passenger revenue per passenger mile (cents)	12.48	11.97	+4.3
Operating revenue per available seat mile (cents)	10.30	9.68	+6.4
Operating expenses excluding ESOP charges per available seat mile (cents)	8.89	8.64	+2.9
Average price per gallon of jet fuel (cents)	69.0	58.9	+17.1
Number of aircraft in operating fleet at end of period	562	556	
Number of employees at end of period (thousands)	84.0	80.9	+3.8

UNITED AIR LINES, INC AND SUBSIDIARY COMPANIES

FINANCIAL SUMMARY (UNAUDITED) (in millions)	Six Months Ended June 30		
	1996	1995	% Change
	----	----	-----
Operating revenues	\$7,876	\$7,124	+10.6
Operating expenses (excluding ESOP compensation expense)	7,081	6,586	+7.5
ESOP compensation expense	331	197	+68.0
	-----	-----	
	7,412	6,783	+9.3
	-----	-----	
Earnings from operations (in accordance with GAAP)	\$ 464	\$ 341	+36.1

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OPERATING STATISTICS

Revenue passengers (in thousands)	39,716	38,173	+4.0
Revenue passenger miles (in millions)	56,214	53,456	+5.2
Available seat miles (in millions)	79,250	76,871	+3.1
Passenger load factor (percent)	70.9	69.5	+1.4 pt.
Breakeven passenger load factor excluding ESOP charges (percent)	62.8	63.6	-0.8 pt.
Passenger revenue per passenger mile (cents)	12.36	11.77	+5.0
Operating revenue per available seat mile (cents)	9.94	9.27	+7.2
Operating expenses excluding ESOP charges per available seat mile (cents)	8.93	8.57	+4.3
Average price per gallon of jet fuel (cents)	68.7	57.9	+18.7
Number of aircraft in operating fleet at end of period	562	556	
Number of employees at end of period (thousands)	84.0	80.9	+3.8

UAL CORPORATION AND SUBSIDIARY COMPANIES
EARNINGS AND EARNINGS PER SHARE
(In Millions, Except Per Share)

EARNINGS	Three Months Ended			
	June 30, 1996		June 30, 1995	
	GAAP Basis	"Fully Distributed" (1)	GAAP Basis	"Fully Distributed" (1)
Operating revenues	\$4,164	\$4,164	\$3,815	\$3,815
Operating expenses (excluding ESOP compensation expense)	(3,598)	(3,598)	(3,405)	(3,405)
ESOP compensation expense	(168)	N/A	(108)	N/A
Operating earnings	398	566	302	410
Non-operating expense	(27)	(27)	(51)	(51)
Earnings before income taxes and extraordinary item	371	539	251	359
Provision for income taxes	145	202	100	144
Earnings before extraordinary item	226	337	151	215
Extraordinary loss on debt extinguishment, net of tax	(30)	(30)	-	-

Net earnings	----- 196 =====	----- 307 =====	----- 151 =====	----- 215 =====
Preferred stock dividends and other	(15)	(5)	(4)	(4)
Preferred stock transactions	(15)	(15)	43	43
Earnings attributable to common shareholders	\$ 166 =====	\$ 287 =====	\$ 190 =====	\$ 254 =====
SHARES				
- - - - -				
Average common shares assumed outstanding	57.5	57.5	49.2	49.2
ESOP preferred shares assumed outstanding	22.6	70.5	10.4	70.7
Shares assumed issued for conversion of debentures	0.8	0.8	7.7	7.7
Other	2.5	2.6	2.3	2.4
Total shares assumed outstanding	----- 83.4 =====	----- 131.4 =====	----- 69.6 =====	----- 130.0 =====
PER SHARE, FULLY DILUTED:				
- - - - -				
Earnings before extraordinary item and preferred stock transactions	\$ 2.53	\$ 2.52	\$ 2.12	\$ 1.63
Extraordinary item, net of tax	(0.36)	(0.23)	-	-
Preferred stock transactions	(0.18)	(0.11)	0.61	0.33
	----- \$ 1.99 =====	----- \$ 2.18 =====	----- \$ 2.73 =====	----- \$ 1.96 =====

(1) "Fully distributed" earnings and earnings per share are pro forma presentations which consider all ESOP shares which will ultimately be released to employees by the end of the ESOP period to be immediately outstanding. Therefore the ESOP compensation expense has been excluded from fully distributed earnings and ESOP convertible preferred stock dividends have not been deducted from earnings attributable to common shareholders.

(2) All share and per share data have been retroactively restated to give effect to a four-for-one split in the corporation's common stock in the form of a 300% dividend for shareholders of record at the close of business on May 6, 1996.