

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

AMENDMENT NO. 3 TO
 FORM S-4
 REGISTRATION STATEMENT
 UNDER
 THE SECURITIES ACT OF 1933

UAL CORPORATION AND UNITED AIR LINES, INC.
 (EXACT NAME OF EACH REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE--UAL	4512--UAL	36-2675207--UAL
DELAWARE--UNITED	4512--UNITED	36-2675206--UNITED

(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER) (I.R.S. EMPLOYER IDENTIFICATION NUMBER)

1200 EAST ALGONQUIN ROAD
 ELK GROVE TOWNSHIP, ILLINOIS 60007
 (708) 952-4000

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANTS' PRINCIPAL EXECUTIVE OFFICES)

Copies to:

LAWRENCE M. NAGIN, ESQ. UAL CORPORATION P.O. BOX 66100 CHICAGO, ILLINOIS 60666 (708) 952-4000 (NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)	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
---	--

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: At the effective time of the recapitalization (the "Recapitalization") of UAL Corporation described in the Proxy Statement/Joint Prospectus forming a part of this Registration Statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common Stock, par value \$.01 per share of UAL.	14,463,093 shares	(1)	(1)	\$700,462.52 (1) (2)
Series B Preferred Stock of UAL.....	35,985 shares	(1)	(1)	(1)
Depositary Preferred Shares representing the Series B Preferred Stock.....	35,984,175 shares	(1)	(1)	(1)
Series D Redeemable Preferred Stock of				

UAL.....	28,927 shares	(1)	(1)	(1)
Series A Senior				
Debentures due 2004 of United.....	\$449,802,200	(1) (2)	(1) (2)	(1) (2)
Series B Senior				
Debentures due 2014 of United.....	\$449,802,200	(1) (2)	(1) (2)	(1) (2)

- (1) This Registration Statement covers the shares of Common Stock, par value \$0.01 per share, of UAL (the "New Shares") and the shares of Series D Redeemable Preferred Stock of UAL to be issued in exchange for, and upon conversion of the shares of the Common Stock, par value \$5 per share, of UAL (the "Old Shares") in connection with the Recapitalization. Immediately upon issuance, the Series D Redeemable Preferred Stock will be redeemed for (i) \$25.80 in cash, and (ii) either (a) Series A Debentures due 2004 of United, Series B Debentures due 2014 of United (collectively, the "Debentures") and Depositary Preferred Shares representing shares of Series B Preferred Stock of UAL, (b) the cash proceeds from the sale of such securities or (c) a mixture of cash proceeds and securities. For the purposes of calculating the registration fee pursuant to Rule 457(f)(1), (i) the number of Old Shares to be exchanged and converted is 28,926,185 and (ii) \$746,295,573 of cash (\$25.80 per Old Share), which will be paid by UAL in connection with the Recapitalization, has been subtracted (pursuant to Rule 457(f)(3)) from the aggregate market value of Old Shares to be exchanged and converted in the Recapitalization. The aggregate market value of the Old Shares has been computed by taking the average of the high and low prices for the Old Shares on the New York Stock Exchange, Inc. on April 6, 1994 (\$127.125).
- (2) As noted below, the Debentures were registered as Debt Securities of United pursuant to the Registration Statement on Form S-3 (No. 33-57192) filed on January 21, 1993. Of the aggregate fee calculated pursuant to Rule 457(f), \$310,208.41 is attributable to the Debentures, and the amount of the registration fee has been reduced by such amount. The net registration fee was paid upon the original filing.

THE REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

AS PROVIDED UNDER RULE 429, THE DEBENTURES TO BE OFFERED HEREUNDER WERE REGISTERED AS DEBT SECURITIES OF UNITED PURSUANT TO THE REGISTRATION STATEMENT ON FORM S-3 (NO. 33-57192) FILED ON JANUARY 21, 1993.

PART II - INFORMATION NOT REQUIRED IN PROSPECTUS

Item 21. Exhibits and Financial Statement Schedules.

UAL Corporation ("UAL") and United Air Lines, Inc. ("United") filed the Registration Statement on Form S-4 on April 12, 1994, and Amendments Numbers 1 through 3 thereto were filed on April 21, 1994, May 27, 1994 and June 10, 1994, respectively. The Registration Statement on Form S-4 became effective on June 10, 1994. This Post-Effective Amendment No. 1 to the Registration Statement on Form S-4 includes as exhibits material distributed by UAL reflecting the final terms of the securities issued in connection with the recapitalization of UAL.

Exhibit No.	Document
99.1	Advertisement in the Wall Street Journal, National Edition, July 1, 1994, page C11.

- 99.2 Mailgram sent to Stockholders of UAL Corporation dated July 1, 1994.
- 99.3 Press Release dated as of June 30, 1994.
- 99.4 Press Release dated as of June 30, 1994.
- 99.5 Opinion of CS First Boston Corporation dated July 1, 1994.
- 99.6 Opinion of Lazard Freres & Co. dated July 1, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Elk Grove Township, Illinois, on the 1st day of July, 1994.

UAL Corporation

By /s/ John C. Pope

 John C. Pope, President and
 Chief Operating Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities noted on this 1st day of July, 1994.

Signature -----	Title -----	Date ----
* ----- Stephen M. Wolf	Director, and Chairman and Chief Executive Officer	July 1, 1994
/s/ John C. Pope ----- John C. Pope	Director, and President and Chief Operating Officer (principal accounting officer and principal financial officer)	July 1, 1994
* ----- Neil A. Armstrong	Director	July 1, 1994
* ----- Andrew F. Brimmer	Director	July 1, 1994
* ----- Richard P. Cooley	Director	July 1, 1994
* ----- Carla A. Hills	Director	July 1, 1994
* ----- Fujio Matsuda	Director	July 1, 1994

Signature -----	Title -----	Date -----
* ----- John F. McGillicuddy	Director	July 1, 1994
* ----- Harry Mullikin	Director	July 1, 1994
* ----- James J. O'Connor	Director	July 1, 1994
* ----- Frank A. Olson	Director	July 1, 1994
* ----- Ralph Strangis	Director	July 1, 1994
* ----- Paul E. Tierney, Jr.	Director	July 1, 1994

* By /s/ John C. Pope

John C. Pope
(Attorney-In-Fact)

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Elk Grove Township, Illinois, on the 1st day of July, 1994.

United Air Lines, Inc.

By /s/ John C. Pope

John C. Pope, President and
Chief Operating Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities noted on this 1st day of July, 1994.

Signature -----	Title -----	Date -----
--------------------	----------------	---------------

<p style="text-align: center;">*</p> <p>----- Stephen M. Wolf</p>	<p>Director, and Chairman and Chief Executive Officer (principal executive officer)</p>	<p>July 1, 1994</p>
<p style="text-align: center;">/s/ John C. Pope</p> <p>----- John C. Pope</p>	<p>Director, President and Chief Operating Officer (principal financial officer)</p>	<p>July 1, 1994</p>
<p style="text-align: center;">*</p> <p>----- Lawrence M. Nagin</p>	<p>Director, and Executive Vice President--Corporate Affairs and General Counsel</p>	<p>July 1, 1994</p>
<p style="text-align: center;">*</p> <p>----- James M. Guyette</p>	<p>Director, and Executive Vice President--Marketing and Planning</p>	<p>July 1, 1994</p>
<p style="text-align: center;">*</p> <p>----- Paul G. George</p>	<p>Director, and Senior Vice President--Human Resources</p>	<p>July 1, 1994</p>
<p style="text-align: center;">*</p> <p>----- Joseph R. O'Gorman, Jr.</p>	<p>Director, and Executive Vice President--Operations</p>	<p>July 1, 1994</p>
<p style="text-align: center;">*</p> <p>----- Frederic F. Brace</p>	<p>Vice President and Controller (principal accounting officer)</p>	<p>July 1, 1994</p>

* By /s/ John C. Pope

 John C. Pope
 (Attorney-In-Fact)

EXHIBIT INDEX

Exhibit No. -----	Document -----
99.1	Advertisement in the Wall Street Journal, National Edition, July 1, 1994, page C11.
99.2	Mailgram sent to Stockholders of UAL Corporation dated July 1, 1994.
99.3	Press Release dated as of June 30, 1994.
99.4	Press Release dated as of June 30, 1994.
99.5	Opinion of CS First Boston Corporation dated July 1, 1994.
99.6	Opinion of Lazard Freres & Co. dated July 1, 1994.

UAL Corporation
is pleased to announce
to Holders of its Common Stock
the following information regarding its
Proposed Recapitalization

If the transactions relating to the proposed recapitalization (the "Recapitalization") of UAL Corporation ("UAL") are approved by vote of the holders (the "Stockholders") of the common stock, par value \$5 per share, of UAL ("Old Shares"), UAL expects that United Air Lines, Inc. will consummate the public offering (the "United Series A Offering") of its Series A Debentures due 2004 (the "Series A Debentures") and the public offering (the "United Series B Offering" and, together with the United Series A Offering, the "United Debt Offerings") of its Series B Debentures due 2014 (the "Series B Debentures") and UAL expects to consummate the public offering of its depositary shares (the "Depositary Shares") representing interests in its Series B Preferred Stock, without par value, ("Public Preferred Stock") of the Company (the "UAL Preferred Offering" and, together with the United Debt Offerings, the "Offerings"). If all of the Offerings are consummated, Stockholders will receive in exchange for each Old Share in the Recapitalization, one half of a share of common stock, par value \$0.01 per share, of UAL and a cash payment of \$84.81, of which \$46.81 will result from the Offerings. Notwithstanding the foregoing, there can be no assurance that any of the Offerings will be consummated.

If the United Series A Offering is not consummated, Stockholders will receive, in lieu of the cash proceeds from the United Series A Offering, \$15.55 principal amount of Series A Debentures bearing an interest rate of 10.125% and the cash payment in respect of each Old Share will be reduced by \$15.05. If the United Series B Offering is not consummated, Stockholders will receive, in lieu of the cash proceeds from the United Series B Offering, \$15.55 principal amount of Series B Debentures bearing an interest rate of 10.825% and the cash payment in respect of each Old Share will be reduced by \$15.08. If that the UAL Preferred Offering is not consummated, Stockholders will receive, in lieu of the cash proceeds from the UAL Preferred Offering, Depositary Shares representing interests in \$17.96 liquidation preference of Public Preferred Stock bearing a dividend rate of 11.375% and the cash payment in respect of each Old Share will be reduced by \$16.68. If the Stockholders approve the Recapitalization and none of the Offerings is consummated, Stockholders will receive, in lieu of the cash proceeds from the Offerings, \$15.55 principal amount of Series A Debentures, \$15.55 principal amount of Series B Debentures, Depositary Shares representing interests in \$17.96 liquidation preference of Public Preferred Stock and a cash payment of \$38.00.

The Meeting of Stockholders is July 12, 1994.

At the Meeting, Stockholders will vote on, among other things, the Recapitalization of UAL. If you were a Stockholder as of close of business on June 9, 1994 and you have not yet returned your proxy card in connection with the upcoming Meeting, UAL urges that you do so as soon as possible.

We urge you to vote your shares
in favor of the Recapitalization of UAL.
Please Complete, Sign and Mail Your Proxy Card.

If you have any questions regarding the Recapitalization of UAL, please call 1 (800) 223-2064.

For more complete information regarding the Recapitalization of UAL, please refer to the Proxy Statement/Joint Prospectus of UAL Corporation and United Air Lines, Inc. and the exhibits thereto that were sent to Stockholders of UAL Corporation on June 10, 1994 and the Supplement to such Proxy Statement/Joint Prospectus expected to be sent to Stockholders of UAL Corporation on July 2, 1994. Copies of the Proxy Statement/Joint Prospectus are available, and copies of the Supplement to such Proxy Statement/Joint Prospectus will be available, to Stockholders free of charge by calling 1(800) 223-2064.

July 1, 1994

Dear UAL Stockholder:

This is to inform you that we expect to consummate public offerings of United Air Lines, Inc. Series A Debentures due 2004, United Series B Debentures due 2014 and Depositary Shares representing interests in UAL Corporation Series B Preferred Stock. If such offerings and UAL's proposed recapitalization are consummated, each share of UAL common stock will be exchanged for one-half of a share of new UAL common stock and \$84.81 in cash (attributable to \$38 from the company's cash, \$15.05 from the sale of Series A Debentures, \$15.08 from the sale of Series B Debentures and \$16.68 from the sale of Depositary Shares).

If these public offerings are not consummated for any reason, UAL stockholders will receive one-half of a share of new UAL common stock, \$38 in cash, \$15.55 principal amount of United 10.125% Series A Debentures, \$15.55 principal amount of United 10.825% Series B Debentures and depositary shares representing interests in \$17.96 liquidation preference of UAL 11.375% preferred stock if the recapitalization is consummated.

The vote of UAL stockholders on the recapitalization will occur on July 12, 1994. IF YOU HAVE NOT YET RETURNED YOUR PROXY CARD, UAL URGES THAT YOU DO SO AS SOON AS POSSIBLE.

UAL CORPORATION

Corporate Communications Contacts:

John Kiker (708) 952-4162

Joe Hopkins (708) 952-5770

Tony Molinaro (708) 952-4971

Night/Weekend (708) 952-4088

Investor Relations Contact:

Pamela Hanlon (708) 952-7501

UAL CORPORATION MODIFIES ESOP RECAPITALIZATION PLAN

FOR IMMEDIATE RELEASE

CHICAGO, June 30, 1994 -- UAL Corporation today announced that it has modified its Agreement and Plan of Recapitalization to provide for the use of \$300 million of available Company cash in substitution for a portion of the preferred stock which the Company was to issue upon closing of its proposed recapitalization.

Under the agreed modifications, existing stockholders would receive in the recapitalization the following for each share of UAL common stock:

- . one-half of a share of new UAL common stock;
- . \$38.00 in cash from the Company's existing cash resources, an increase of \$12.20 per share;
- . the cash proceeds from the sale in the previously

(more)

-2-

announced public offering of \$31.10 principal amount of United debt securities (or, if this public offering is not consummated, the same principal amount of debt securities);

- . the cash proceeds from the sale in the previously announced public offering of depository shares representing interests in \$18.90 liquidation preference (reflecting a \$12.20 per share decrease) of the company's preferred stock (or, if this public offering is not consummated, the same amount of preferred stock.)

The cash proceeds from the sale of the United debt securities and/or the UAL preferred stock will be subject to reduction, in accordance with the Agreement and Plan of Recapitalization as modified, if the final pricing for such instrument exceeds certain maximum rates.

The company will file shortly a Report on Form 8-K with the SEC containing pro forma financial information giving effect to the foregoing modification.

(more)

-3-

UAL also announced that it had reached a tentative understanding to settle shareholder litigation pending in the Delaware Chancery Courts relating to the Agreement and Plan of Recapitalization.

Consummation of the recapitalization remains subject to satisfaction of certain conditions, including a stockholder vote scheduled for July 12 in Chicago.

news

UNITED AIRLINES

Corporate Communications Contacts:
 John Kiker (708) 952-4162
 Joe Hopkins (708) 952-5770
 Tony Molinaro (708) 952-4971
 Night (708) 952-4088

Investor Relations Contact:
 Pamela Hanlon (708) 952-7501

UAL CORP. BEGINS PUBLIC OFFERING

FOR IMMEDIATE RELEASE

CHICAGO, June 30, 1994 -- UAL Corporation and United Air Lines, Inc. announced today that they have commenced their public offerings of \$370,200,000 aggregate principal amount of United 10.67% Series A Debentures due 2004, \$371,000,000 aggregate principal amount of United's 11.21% Series B Debentures due 2014 and 16,416,000 Depositary Shares representing interests in \$410,400,000 liquidation preference of UAL's Series B Preferred Stock. The Series B Preferred Stock will bear dividends at the annual rate of 12-1/4%. The offering price on the Depositary Shares is \$25.00 per share; each Depositary Share represents \$25 liquidation preference of Series B Preferred Stock.

(more)

-2-

The offerings are being made in connection with the proposed recapitalization of UAL, and the proceeds of the offerings will be used to fund a portion of the cash consideration payable to holders of UAL's current common stock in UAL's proposed recapitalization, together with \$38 per share in cash from the Company's existing cash resources. UAL holders will receive one-half of a new share of UAL common stock and \$84.81 in cash per share if the offerings and the recapitalization are consummated.

The offering of the United Debentures is being underwritten by Merrill Lynch & Co., CS First Boston, Goldman Sachs & Co. and Salomon Brothers Inc and the UAL Preferred Offering is being underwritten through a group that is being managed by Merrill Lynch & Co., A.G. Edwards & Sons, Inc., PaineWebber Incorporated, Prudential Securities Incorporated, Goldman, Sachs & Co., Smith Barney Inc., Donaldson, Lufkin & Jenrette, Kidder, Peabody & Co., Bear Stearns & Co. Inc., Lehman Brothers and Morgan Stanley & Co. Incorporated.

(more)

-3-

The vote by UAL's stockholders on the proposed recapitalization is scheduled to occur on July 12. The closing of the offerings is scheduled to occur the same day, subject to a favorable vote and certain other conditions.

The terms of the Agreement and Plan of the Recapitalization provide that if the underwritings are not consummated for any reason, UAL stockholders would receive one-half of a share of a new UAL common stock, \$38 in cash, \$15.55 principal amount of United 10 1/8% Series A Debentures, \$15.55 principal of United 10.825% Series B Debentures and depositary shares representing interests in \$17.96 liquidation preference of 11 3/8% UAL preferred stock if the recapitalization was consummated.

-UA-

July 1, 1994

Board of Directors
UAL Corporation
1200 East Algonquin Road
Elk Grove Township, IL 60007

Gentlemen and Madam:

You have requested our opinion as to the fairness, from a financial point of view, to the holders (the "Common Stockholders") of shares of common stock, par value \$5.00 per share ("Old Shares"), of UAL Corporation, a Delaware corporation ("UAL"), of the consideration to be received by such Common Stockholders in connection with the proposed recapitalization of UAL (the "Transaction"), as set forth in, and pursuant to the terms of, the Agreement and Plan of Recapitalization dated as of March 25, 1994, as amended and restated (the "Recapitalization Agreement"), among UAL and the Airline Pilots Association, International, and the International Association of Machinists and Aerospace Workers (together with other participating employees, the "Participating Employees").

We understand that the Transaction, as more specifically set forth in the Recapitalization Agreement, provides that, in exchange for certain labor concessions by the Participating Employees, UAL will issue common stock to certain employee trusts/ESOPs equal to a minimum of 55% and a maximum of 63% of the common stock of UAL. We also understand that in the Transaction the current Common Stockholders of UAL will receive, for each Old Share held, one-half of a new share of common stock, par value \$.01 per share, of UAL (representing an equity interest immediately after the Transaction is completed of approximately 45% of one Old Share's current percentage equity interest in UAL, subject to possible reduction) and \$84.81 in cash. A portion of the cash consideration to be received by Common Stockholders of UAL will represent the gross proceeds of a public offering by United Air Lines, Inc. of its Series A Debentures due 2004 and its Series B Debentures due 2014 and the gross proceeds of a public offering by UAL of Depositary Preferred Shares representing shares of its Series B Preferred Stock, without par value.

2

In arriving at our opinion, we have reviewed and analyzed the Recapitalization Agreement, as well as certain publicly available business and financial information relating to UAL. We have also reviewed certain other information, including financial forecasts provided to us by UAL. We have met with UAL's management to discuss the past and current operations and financial condition and prospects of UAL. We have also considered certain financial and stock market data for UAL and we have compared that data with similar data for other publicly held companies in businesses similar to those of UAL, and we have considered the financial terms of certain other business combinations that have recently been effected. We also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria that we deemed relevant. In addition, we have reviewed the alternative of not effecting a reorganization or similar transaction and UAL implementing various operating strategies considered by it which, if fully implemented, might result in a greater value to Common Stockholders than the Transaction; however, we understand and have assumed for purposes of this opinion that the Board of Directors of UAL has determined, in light of various factors relating to the implementation of such operating strategies and the availability of the Transaction, not to pursue such implementation.

In connection with our review, we have not independently verified any of the foregoing information and have relied on its being complete and accurate in all material respects. With respect to the financial forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of UAL's management as to the future financial

performance of UAL. We express no view as to such forecasts or the assumptions on which they are based. We have not made an independent evaluation or appraisal of the assets or liabilities of UAL, nor have we been furnished with any such appraisals. We were not requested to, and did not, solicit third party offers to acquire all or any part of UAL, nor, to our knowledge, has any interest in making such an offer been presented by any third party, including in response to the public disclosure regarding discussions between UAL and the Participating Employees. We have assumed that the results expected by UAL's management to be obtained from the Transaction, including those arising from the Participating Employees' labor concessions, will be realized. Our opinion is necessarily based solely upon information available to us and business, market, economic and other conditions as they exist on, and can be evaluated as of, the date hereof. Our opinion does not address UAL's underlying business decision to effect the Transaction.

We have acted as financial advisor to UAL in connection with the Transaction and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Transaction. We will also receive a fee for rendering this opinion and other additional services currently being rendered to UAL. In the ordinary course of our business, we actively trade the debt and equity securities of UAL for our own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

It is understood that this opinion is only for the information of the Board of Directors of UAL. However, this opinion may be included in its entirety in any proxy statement from UAL to its Common Stockholders. This opinion may not, however, be summarized,

3

excerpted from or otherwise publicly referred to without our prior written consent, which will not unreasonably be withheld. In addition, we may not be otherwise publicly referred to without our prior consent, which will not unreasonably be withheld.

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the consideration to be received by the Common Stockholders of UAL in the Transaction, taken as a whole, is fair to such Common Stockholders from a financial point of view.

Very truly yours,

CS FIRST BOSTON CORPORATION

By: _____

July 1, 1994

Board of Directors
UAL Corporation
1200 East Algonquin Road
Elk Grove Township, IL 60007

Gentlemen and Madam:

You have requested our opinion as to the fairness, from a financial point of view, to the holders (the "Common Stockholders") of shares of common stock, par value \$5.00 per share ("Old Shares"), of UAL Corporation, a Delaware corporation ("UAL"), of the consideration to be received by such Common Stockholders in connection with the proposed recapitalization of UAL (the "Transaction"), as set forth in, and pursuant to the terms of, the Agreement and Plan of Recapitalization dated as of March 25, 1994, as amended and restated (the "Recapitalization Agreement"), among UAL and the Airline Pilots Association, International, and the International Association of Machinists and Aerospace Workers (together with other participating employees, the "Participating Employees").

We understand that the Transaction, as more specifically set forth in the Recapitalization Agreement, provides that, in exchange for certain labor concessions by the Participating Employees, UAL will issue common stock to certain employee trusts/ESOPs equal to a minimum of 55% and a maximum of 63% of the common stock of UAL. We also understand that in the Transaction the current Common Stockholders of UAL will receive, for each Old Share held, one-half of a new share of common stock, par value \$.01 per share, of UAL (representing an equity interest immediately after the Transaction is completed of approximately 45% of one Old Share's current percentage equity interest in UAL, subject to possible reduction) and \$84.81 in cash. A portion of the cash consideration to be received by Common Stockholders of UAL will represent the gross proceeds of a public offering by United Air Lines, Inc. of its Series A Debentures due 2004 and its Series B Debentures due 2014 and the gross proceeds of a public offering by UAL of Depositary Preferred Shares representing shares of its Series B Preferred Stock, without par value.

2

In arriving at our opinion, we have reviewed and analyzed the Recapitalization Agreement, as well as certain publicly available business and financial information relating to UAL. We have also reviewed certain other information, including financial forecasts provided to us by UAL. We have met with UAL's management to discuss the past and current operations and financial condition and prospects of UAL. We have also considered certain financial and stock market data for UAL and we have compared that data with similar data for other publicly held companies in businesses similar to those of UAL, and we have considered the financial terms of certain other business combinations that have recently been effected. We also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria that we deemed relevant. In addition, we have reviewed the alternative of not effecting a reorganization or similar transaction and UAL implementing various operating strategies considered by it which, if fully implemented, might result in a greater value to Common Stockholders than the Transaction; however, we understand and have assumed for purposes of this opinion that the Board of Directors of UAL has determined, in light of various factors relating to the implementation of such operating strategies and the availability of the Transaction, not to pursue such implementation.

In connection with our review, we have not independently verified any of the foregoing information and have relied on its being complete and accurate in all material respects. With respect to the financial forecasts, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of UAL's management as to the future financial

performance of UAL. We express no view as to such forecasts or the assumptions on which they are based. We have not made an independent evaluation or appraisal of the assets or liabilities of UAL, nor have we been furnished with any such appraisals. We were not requested to, and did not, solicit third party offers to acquire all or any part of UAL, nor, to our knowledge, has any interest in making such an offer been presented by any third party, including in response to the public disclosure regarding discussions between UAL and the Participating Employees. We have assumed that the results expected by UAL's management to be obtained from the Transaction, including those arising from the Participating Employees' labor concessions, will be realized. Our opinion is necessarily based solely upon information available to us and business, market, economic and other conditions as they exist on, and can be evaluated as of, the date hereof. Our opinion does not address UAL's underlying business decision to effect the Transaction.

We have acted as financial advisor to UAL in connection with the Transaction and will receive a fee for our services, a significant portion of which is contingent upon the consummation of the Transaction. A portion of this fee relates to the rendering of this opinion.

It is understood that this opinion is only for the information of the Board of Directors of UAL. However, this opinion may be included in its entirety in any proxy statement from UAL to its Common Stockholders. This opinion may not, however, be summarized, excerpted from or otherwise publicly referred to without our prior written consent, which will not unreasonably be withheld. In addition, we may not be otherwise publicly referred to without our prior consent, which will not unreasonably be withheld.

3

Based upon and subject to the foregoing, it is our opinion that, as of the date hereof, the consideration to be received by the Common Stockholders of UAL in the Transaction, taken as a whole, is fair to such Common Stockholders from a financial point of view.

Very truly yours,

Lazard Freres & Co.