

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, 1999

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.  
Management and Salaried Employees' 401(k) Retirement Savings

Plan

\_\_\_\_\_

(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

(Address of principal executive offices)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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. Management and Salaried Employees' 401(k) Retirement Savings Plan as of November 30, 1999 and 1998, 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's Management. 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's Management, 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. Management and Salaried Employees' 401(k) Retirement Savings Plan as of November 30, 1999 and 1998, 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, 2000

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

November 30

1999      1998

INVESTMENT IN MASTER TRUST

Magellan Fund	\$118,669	\$80,978
Equity-Income Fund	40,633	43,815
Growth Company Fund	272,051	161,627
Government Securities Fund	4,905	6,622
OTC Portfolio	71,085	34,787
Overseas Fund	48,481	36,897
Balanced Fund	73,801	69,386
Asset Manager	14,251	13,385
Asset Manager: Growth	22,350	20,191
Asset Manager: Income	2,999	3,307
Retirement Money Market Portfolio	17,123	12,680
U. S. Bond Index Portfolio	5,373	5,597
U. S. Equity Index Portfolio	271,009	236,757

Stated Return Fund	193	191
Blended Income Fund	209,245	200,372
UAL Stock Fund	40,445	48,816
Participant Loan Fund	21,366	18,016
	<u>          </u>	<u>          </u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$1,233,979	\$993,424
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

	Year ended November 30			
	1999			
	MAGELLAN FUND	EQUITY- INCOME FUND	GROWTH COMPANY FUND	GOVERNMENT SECURITIES FUND
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 80,978	\$ 43,815	\$161,627	\$ 6,622
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
CONTRIBUTIONS				
EMPLOYER	54	20	30	2
EMPLOYEE	8,093	3,256	10,827	460
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	8,147	3,276	10,857	462
TRANSFERS BETWEEN FUNDS	13,610	(7,705)	12,642	(1,484)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TRANSFERS BETWEEN PLANS	48	10	60	(2)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
RESULTS OF INVESTMENT ACTIVITY				
Dividends	8,269	2,563	12,348	352
Interest	1	-	9	-
Net appreciation (depreciation) in value of investments	14,551	1,470	86,713	(446)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	22,821	4,033	99,070	(94)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
PAYMENTS TO PLAN PARTICIPANTS	(5,572)	(2,449)	(10,542)	(569)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
PARTICIPANT LOANS	(1,343)	(336)	(1,642)	(29)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

ADMINISTRATIVE EXPENSES	(20)	(11)	(21)	(1)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$118,669	\$ 40,633	\$272,051	\$ 4,905

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

UNITED AIR LINES, INC.

GROUND EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

	1999			
	OTC PORTFOLIO	OVERSEAS FUND	BALANCED FUND	ASSET MANAGER
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 34,787	\$ 36,897	\$ 69,386	\$13,385
CONTRIBUTIONS				
EMPLOYER	15	8	7	9
EMPLOYEE	3,572	2,772	3,333	907
	3,587	2,780	3,340	916
TRANSFERS BETWEEN FUNDS	11,089	(25)	(779)	(875)
TRANSFERS BETWEEN PLANS	(13)	1	2	4
RESULTS OF INVESTMENT ACTIVITY				
Dividends	4,505	729	10,125	2,548
Interest	-	-	-	-
Net appreciation (depreciation) in value of investments	20,101	10,476	(3,057)	(840)
	24,606	11,205	7,068	1,708
PAYMENTS TO PLAN PARTICIPANTS	(2,494)	(2,028)	(4,770)	(790)
PARTICIPANT LOANS	(472)	(346)	(435)	(95)
ADMINISTRATIVE EXPENSES	(5)	(3)	(11)	(2)

NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 71,085	\$ 48,481	\$ 73,801	\$ 14,251
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

	1999				
	ASSET MANAGER: GROWTH	ASSET MANAGER: INCOME	RETIREMENT MONEY MARKET PORTFOLIO	U.S. BOND INDEX PORTFOLIO	U.S. EQUITY INDEX PORTFOLIO
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 20,191	\$ 3,307	\$ 12,680	\$ 5,597	\$236,757
CONTRIBUTIONS					
EMPLOYER	16	2	10	3	28
EMPLOYEE	2,043	274	943	396	9,663
	<u>2,059</u>	<u>276</u>	<u>953</u>	<u>399</u>	<u>9,691</u>
TRANSFERS BETWEEN FUNDS	<u>(1,652)</u>	<u>(487)</u>	<u>6,204</u>	<u>(248)</u>	<u>(8,023)</u>
TRANSFERS BETWEEN PLANS	<u>(2)</u>	<u>(4)</u>	<u>8</u>	<u>1</u>	<u>(19)</u>
RESULTS OF INVESTMENT ACTIVITY					
Dividends	2,949	289	739	385	-
Interest	-	-	-	-	-
Net appreciation (depreciation) in value of investments	<u>(214)</u>	<u>(92)</u>	<u>-</u>	<u>(392)</u>	<u>48,314</u>
	<u>2,735</u>	<u>197</u>	<u>739</u>	<u>(7)</u>	<u>48,314</u>
PAYMENTS TO PLAN PARTICIPANTS	<u>(773)</u>	<u>(273)</u>	<u>(3,272)</u>	<u>(319)</u>	<u>(13,238)</u>
PARTICIPANT LOANS	<u>(204)</u>	<u>(17)</u>	<u>(185)</u>	<u>(49)</u>	<u>(2,443)</u>
ADMINISTRATIVE EXPENSES	<u>(4)</u>	<u>-</u>	<u>(4)</u>	<u>(1)</u>	<u>(30)</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 22,350	\$ 2,999	\$ 17,123	\$ 5,373	\$271,009
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

1999

	STATED RETURN FUND	BLENDED INCOME FUND	UAL STOCK FUND	PARTICIPANT LOAN FUND	TOTAL
NET ASSETS AVAILABLE FOR PLAN BENEFITS, beginning of year	\$ 191	\$200,372	\$ 48,816	\$ 18,016	\$993,424
CONTRIBUTIONS					
EMPLOYER	-	517	44	-	765
EMPLOYEE	-	12,684	3,217	-	62,440
	-	13,201	3,261	-	63,205
TRANSFERS BETWEEN FUNDS	(13)	(658)	(12,986)	(8,610)	-
TRANSFERS BETWEEN PLANS	1	422	91	-	608
RESULTS OF INVESTMENT ACTIVITY					
Dividends	-	-	-	-	45,801
Interest	14	12,208	-	1,484	13,716
Net appreciation (depreciation) in value of investments	-	-	4,397	-	180,981
	14	12,208	4,397	1,484	240,498
PAYMENTS TO PLAN PARTICIPANTS	-	(13,974)	(2,352)	(93)	(63,508)
PARTICIPANT LOANS	-	(2,246)	(727)	10,569	-
ADMINISTRATIVE EXPENSES	-	(80)	(55)	-	(248)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 193	\$209,245	\$ 40,445	\$ 21,366	\$1,233,979

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED 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	\$56,760	\$39,851	\$147,023	\$ 2,205
CONTRIBUTIONS				
Employer	57	24	39	2
Employee	6,245	3,533	10,577	288
	6,302	3,557	10,616	290
TRANSFERS BETWEEN FUNDS	8,452	(1,313)	(10,743)	4,129
TRANSFERS BETWEEN PLANS	(247)	135	(154)	(22)
RESULTS OF INVESTMENT ACTIVITY				
Dividends	4,346	2,402	15,383	238
Interest	-	54	-	-
Net appreciation (depreciation) in value of investments	9,473	2,108	9,182	116
	13,819	4,564	24,565	354
PAYMENTS TO PLAN PARTICIPANTS	(3,264)	(2,651)	(8,207)	(318)
PARTICIPANT LOANS	(830)	(317)	(1,454)	(16)
ADMINISTRATIVE EXPENSES	(14)	(11)	(19)	-
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$80,978	\$43,815	\$161,627	\$ 6,622

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

	OTC PORTFOLIO	OVERSEAS FUND	BALANCED FUND	ASSET MANAGER
NET ASSETS AVAILABLE FOR PLAN BENEFITS, Beginning of	\$ 29,254	\$ 36,567	\$ 58,457	\$ 11,747
CONTRIBUTIONS				
Employer	19	12	8	10
Employee	3,342	3,193	3,654	808
	3,361	3,205	3,662	818
TRANSFERS BETWEEN FUNDS	(1,054)	(4,389)	1,217	26
TRANSFERS BETWEEN PLANS	(31)	(76)	41	(56)
RESULTS OF INVESTMENT ACTIVITY				
Dividends	3,187	1,838	9,319	1,102
Interest	-	-	-	-
Net appreciation (depreciation) in value of investments	2,149	1,930	1,076	451
	5,336	3,768	10,395	1,553
PAYMENTS TO PLAN PARTICIPANTS	(1,754)	(1,816)	(3,892)	(590)
PARTICIPANT LOANS	(321)	(358)	(483)	(111)
ADMINISTRATIVE EXPENSES	(4)	(4)	(11)	(2)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 34,787	\$ 36,897	\$ 69,386	\$ 13,385

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

	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	\$ 16,971	\$ 2,521	\$ 7,565	\$ 2,458	\$194,677
CONTRIBUTIONS					
Employer	23	2	10	3	27
Employee	2,119	226	1,031	400	9,813
	2,142	228	1,041	403	9,840
TRANSFERS BETWEEN FUNDS	(286)	632	5,264	2,853	(582)
TRANSFERS BETWEEN PLANS	(134)	(8)	(15)	(2)	116
RESULTS OF INVESTMENT ACTIVITY					
Dividends	1,851	196	532	249	-
Interest	16	-	48	26	-
Net appreciation (depreciation) in value of investments	662	70	-	109	45,689
	2,529	266	580	384	45,689
PAYMENTS TO PLAN PARTICIPANTS	(877)	(312)	(1,534)	(486)	(10,814)
PARTICIPANT LOANS	(150)	(20)	(217)	(13)	(2,140)
ADMINISTRATIVE EXPENSES	(4)	-	(4)	-	(29)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 20,191	\$ 3,307	\$ 12,680	\$ 5,597	\$236,757

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED EMPLOYEES' 401(K) RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

(In Thousands)

Year ended November 30

1998

STATED      BLENDED      UAL      PARTICIPANT  
RETURN      INCOME      STOCK      LOAN

	FUND	FUND	FUND	FUND	TOTAL
NET ASSETS AVAILABLE FOR PLAN BENEFITS, Beginning of year	-	\$194,639	\$ 51,976	\$ 15,902	\$868,393
CONTRIBUTIONS					
Employer	-	673	62	-	971
Employee	-	12,156	3,816	-	61,201
	-	12,829	3,878	-	62,172
TRANSFERS BETWEEN FUNDS	(55)	(6,439)	10,645	(8,357)	-
TRANSFERS BETWEEN PLANS	237	39	(122)	-	(299)
RESULTS OF INVESTMENT ACTIVITY					
Dividends	-	-	-	-	40,643
Interest	9	12,587	67	1,334	14,141
Net appreciation (depreciation) in value of investments	-	-	(13,959)	-	59,056
	9	12,587	(13,892)	1,334	113,840
PAYMENTS TO PLAN PARTICIPANTS	-	(11,257)	(2,635)	(19)	(50,426)
PARTICIPANT LOANS	-	(1,944)	(782)	9,156	-
ADMINISTRATIVE EXPENSES	-	(82)	(72)	-	(256)
NET ASSETS AVAILABLE FOR PLAN BENEFITS, end of year	\$ 191	\$200,372	\$ 48,816	\$ 18,016	\$993,424

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

UNITED AIR LINES, INC.

MANAGEMENT AND SALARIED 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. Management and Salaried Employees' 401(k)

Retirement Savings Plan (the "Plan") covers Management, Administrative and Public Contact Employees and Meteorologists of United Air Lines, Inc. ("United"). 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 pretax earnings, up to 15%, subject to a maximum of \$10,000 in 1998 and in 1999. 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. The balance in a participant's account is fully vested and nonforfeitable at all times. 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 \$2,902,771 and \$2,129,843 for 1999 and 1998, respectively, which were transferred from other qualified plans as rollovers under Internal Revenue Code Sections 402(c) and 408(d).

Effective January 1, 1999, the Administrative employees hired on or after February 1, 1994, no longer receive the two percent contribution to the 401(k) plan. Effective June 1, 1999, Public Contact employees also no longer receive the two percent contribution to the 401(k) plan.

Contributions on the Statement of Changes in Net Assets Available for Plan Benefits for the years ended November 30, 1999 and 1998, have been reduced by an accrual for the returns of excess annual additions of \$2,117 and \$2,399,052, for the respective plan years, as required under Internal Revenue Code Section 415(c).

c. Trustee and Recordkeeper

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

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. However, 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, 1999 and 1998 were \$203,828 and \$200,758 (in thousands), respectively. The average yield for the year ending November 30, 1999 and 1998 was approximately 6.2%. The crediting interest rates as of November 30, 1999 and 1998 were approximately 5.9% and 5.7%, respectively. At November 30, 1999 and 1998, the contract value of the investment contracts approximated the fair value.

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 market-to-market on a daily basis to maintain the margin requirement.

e. Withdrawals

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. Participants who have terminated employment are able to defer the distribution of the account until April 1 of the next calendar year after reaching age 70-1/2.

Distributions of accounts 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:

- 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.

f. Plan Termination Provisions

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. 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

### a. Basis of Accounting

The financial statements are presented on the accrual basis.

### b. Investments

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

Allocations of the net assets, at market value, of the Master Trust to participating plans as of November 30, 1999 and 1998, are as follows:

(in thousands)	1999		1998	
	Amount	Percent	Amount	Percent
Management and Salaried Employees' 401(k) Retirement Savings Plan	\$1,233,979	39.24%	\$993,424	39.83%
Ground Employees' 401(k) Retirement Savings Plan	853,918	27.15%	704,952	28.27%
Flight Attendant Employees' 401(k) Retirement Savings Plan	1,057,121	33.61%	795,542	31.90%
	<u>\$3,145,018</u>	<u>100.00%</u>	<u>\$2,493,918</u>	<u>100.00%</u>

### c. Net Appreciation (Depreciation) in Value of Investments

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

Administrative expenses represent administrative and investment manager fees charged by Fidelity, accountant fees, recordkeeping fees charged by Fidelity Institutional Retirement Services Company 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

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. Flight Attendant Employees' 401(k) Retirement Savings Plan.

### f. Participant Loans

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 (9.5% as of December 31, 1999). 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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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

The Internal Revenue Service has determined and informed the Company by letter dated July 16, 1996, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the IRC.

Signature

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 Air Lines, Inc.  
Management and Salaried  
Employees' 401(k)  
Retirement Savings Plan

Dated May 30, 2000

By /s/ Frederic F. Brace

Frederic F. Brace  
Member, United Air  
Lines, Inc. Pension  
and Welfare Plans  
Administration Committee

Exhibit 23

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, 1999, into UAL's previously filed Form S-8 and Post Effective Amendment No. 1 to Form S-8 Registration Statement (File No. 33-38613), and Form S-8 Registration Statement (File No. 333-63185) for the United Air Lines, Inc. Management and Salaried Employees' 401(k) Retirement Savings Plan.

Arthur Andersen LLP

Chicago, Illinois  
May 30, 2000