

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: January 23, 1996

-----  
(Date of earliest event reported)

UAL CORPORATION

-----  
(Exact name of registrant as specified in its charter)

Delaware

1-6033

36-2675207

-----  
(State or other jurisdiction  
of incorporation)

-----  
(Commission  
File Number)

-----  
(I.R.S. Employer  
Identification No.)

1200 Algonquin Road, Elk Grove Township, Illinois

60007

-----  
(Address of principal executive offices)

-----  
(Zip Code)

Registrant's telephone number, including area code (708) 952-4000  
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Not Applicable

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

ITEM 5. OTHER EVENTS.  
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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.  
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Exhibit No.	Description
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99.1	Press Release

SIGNATURES

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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

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Name: Douglas A. Hacker

Title: Senior Vice President - Finance

Dated: January 23, 1996

EXHIBIT INDEX

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

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Corporate Communications Contacts:
Connie Huff (847) 952-5501
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UAL CORPORATION REPORTS FULL YEAR 1995 AND
FOURTH QUARTER FINANCIAL RESULTS

- . Highest annual earnings level from ongoing operations in company's history
. On a fully distributed basis, 1995 net earnings were \$662 million or \$20.51 for each of the 32.6 million fully distributed shares
. Fourth quarter results included \$29 million extraordinary loss from early debt extinguishment and \$13 million write-down of non-operating aircraft net of tax
. On a fully distributed basis, fourth quarter earnings were \$2.95 for each of the 30.7 million fully distributed shares excluding the extraordinary loss, write-down and effect of preferred stock transactions - an 88 percent improvement over 1994 earnings per share results of \$1.57 per share

CHICAGO, January 23, 1996 -- UAL Corporation, the holding company whose primary subsidiary is United Airlines, today reported full year 1995 preliminary unaudited net earnings in accordance with generally accepted accounting principles (GAAP) of \$349 million. The 1995 GAAP earnings before an after-tax \$29 million extraordinary loss for the early extinguishment of debt were \$378 million, a company record for earnings from ongoing operations (before extraordinary items). GAAP earnings were \$19.11 per fully diluted share (\$20.01 per share on a primary basis) after preferred stock dividend requirements. In 1994, UAL Corporation reported GAAP earnings of \$51 million, including \$128 million of one-time after-tax charges associated with the completion of the recapitalization and a one-time after-tax charge of \$26 million associated with the adoption of SFAS No. 112.

(more)

The Company also reported that on a pro forma, fully distributed basis (see below for further explanation of the methodology) 1995 net earnings were \$662 million or \$20.51 per share after preferred stock dividends. Fully distributed operating earnings for 1995 were \$1,333 million.

"We are extremely pleased with our record 1995 results," says Chairman and Chief Executive Officer Gerald Greenwald. "Our success this year is a real tribute to our employees' commitment to ownership and customer service. Our strong revenue growth and lower fully distributed unit cost confirm that our "Quality Flight Plan" is working. We have begun to see the revenue benefits from our \$50 million additional customer service investments and the effect of empowering employees to deliver superior customer service. At the same time, certain cost reduction programs, including the restructuring of the domestic commission program, generated \$125 million in savings for 1995 and should provide substantial contributions when completed over the next three to four years. Those efforts, combined with the year-over-year effect from the ESOP, contributed to our fully distributed unit cost reduction.

"Our 1995 financial performance advances our pursuit to become the airline of choice for customers and employees as well as stockholders. We anticipate continued success for 1996 having begun the year with strong first quarter bookings."

Full year operating revenues were \$14.9 billion, up 7.1% from \$14.0 billion the year before. With a 4.2 percent increase in available seat miles, total revenue per available seat mile increased by 2.9 percent from 9.12 cents a year ago to 9.39 cents. Traffic increased by 3.2 percent as revenue passenger miles grew to 111.8 billion from 108.3 billion in 1994. Yield (revenue per passenger mile) increased by 4.2 percent to 11.79 cents, up from 11.31 cents in 1994.

Full year operating expenses excluding all ESOP charges increased by 2.7% from \$13.2 billion to \$13.6 billion in 1995. The full year cost per available seat mile, excluding all ESOP charges, decreased 1.0 percent to 8.55 cents from 8.64 cents a year ago largely due to 3.3 percent lower labor costs driven by the employee investment transaction.

(more)

#### FOURTH QUARTER RESULTS

For the fourth quarter, UAL Corporation reported a GAAP net loss of \$5 million excluding certain special adjustments, or a loss of \$1.25 per share after preferred stock dividends. In the fourth quarter, the Company recorded the following special adjustments:

- . An extraordinary loss of \$29 million (\$2.35 per share) after-tax due to early extinguishment of debt,
- . A \$13 million (\$1.09 per share) after-tax adjustment associated with a write-down of non-operating aircraft, and
- . A \$1.81 per share unfavorable impact to earnings per share due to the repurchase of a portion of outstanding Series B preferred stock.

The fourth quarter GAAP net loss including the special adjustments was \$47 million or a loss of \$6.50 per share after preferred dividends. For the comparable quarter in 1994, UAL reported GAAP net income of \$11 million (a loss of \$0.98 per share after preferred stock dividends).

(more)

On a fully distributed basis, UAL Corporation fourth quarter net income, excluding the special adjustments, was \$98 million or \$2.95 per share for each of the 30.7 million fully distributed shares. The fully distributed net earnings represent a 46 percent increase from 1994's fully distributed net earnings of \$67 million with earnings per share improving 88 percent over last year's fully distributed earnings per share of \$1.57. Fully distributed operating earnings for the quarter, excluding the special adjustments, were \$212 million, a 23 percent improvement over 1994's \$172 million.

Fully Distributed Results  (Millions, except per share)	Three Months Ended December 31					
	1995		1994		% Change	
	Earnings	Per Share	Earnings	Per Share	Earnings	Per Share
Operating Earnings before non-operating aircraft write-down	\$212	NA	\$172	NA	+ 23	NA
Net before special charges	\$ 98	\$ 2.95	\$ 67	\$ 1.57	+ 46	+ 88
Extraordinary item	(29)	(0.95)	-	-	NA	NA
Non-operating aircraft write-down	(13)	(0.44)	-	-	NA	NA
Preferred stock transactions	-	(0.73)	-	(0.10)	NA	- 630
Net	\$ 56	\$ 0.83	\$ 67	\$ 1.47	- 16	- 44

The repurchase of approximately \$750 million principal amount of debt in 1995 is expected to reduce net interest expense by \$26 million in 1996 alone. As another credit improvement initiative, 1996 dividend payments will be reduced by \$12 million due to the repurchase of \$96 million of Series B preferred stock during the fourth quarter.

The additional depreciation provision of \$13 million after-tax (\$22 million pre-tax in operating expenses) in the fourth quarter for certain non-operating DC-10 aircraft reflects a reduction in their estimated residual value to the current market value of freighter aircraft.

In addition to the special charges, the expiration of the Federal fuel tax exemption adversely impacted fourth quarter operating earnings by \$20 million.

(more)



n.b.: In addition to reviewing financial statements reported under Generally Accepted Accounting Principles (GAAP), a more complete understanding of the Company's results can be gained by viewing them on a pro forma, fully distributed basis. This approach considers all ESOP shares (which will be issued to employees over the course of the ESOP period) to be immediately outstanding and thus fully distributed. Consistent with this method, the ESOP compensation expense (which reflects the commitment of stock to employees) is excluded from fully distributed expenses and ESOP convertible preferred stock dividends have not been deducted from earnings attributable to common stockholders.

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UAL CORPORATION AND SUBSIDIARY COMPANIES  
STATEMENT OF CONSOLIDATED OPERATIONS (UNAUDITED)

(In Millions, Except Per Share)

	Three Months Ended December 31		
	1995	1994	% Change
Operating revenues:			
Passenger	\$3,221	\$3,022	+ 6.6
Cargo	200	184	+ 8.7
Other operating revenues	246	233	+ 5.6
	3,667	3,439	+ 6.6
Operating expenses:			
Salaries and related costs	1,130	1,101	+ 2.6
ESOP compensation expense	168	94	+ 78.7
Aircraft fuel	455	411	+ 10.7
Commissions	356	343	+ 3.8
Purchased services	280	249	+ 12.4
Aircraft rent	241	246	- 2.0
Landing fees and other rent	208	158	+ 31.6
Depreciation and amortization	183	186	- 1.6
Food services	132	124	+ 6.5
Aircraft maintenance	105	81	+ 29.6
Personnel expenses	76	62	+ 22.6
Write down of retired aircraft	22	-	
Other operating expenses	289	306	- 5.6
	3,645	3,361	+ 8.4
Earnings from operations	22	78	- 71.8
Other income (expense):			
Interest expense	(94)	(104)	- 9.6
Interest capitalized	11	10	+ 10.0
Interest income	23	23	
Equity in earnings of affiliates	9	-	
Miscellaneous, net	-	3	
	(51)	(68)	- 25.0
Earnings (loss) before income taxes and extraordinary item	(29)	10	
Provision (credit) for income taxes	(11)	(1)	
Earnings (loss) before extraordinary item	(18)	11	
Extraordinary loss on early extinguishment of debt, net of tax	(29)	-	
Net earnings (loss)	\$ (47)	\$ 11	
Per share:			
Earnings (loss) before extraordinary item	\$ (4.15)	\$ (0.98)	
Extraordinary item	(2.35)	-	
Net earnings (loss)	\$ (6.50)	\$ (0.98)	

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See accompanying notes.

UAL CORPORATION AND SUBSIDIARY COMPANIES  
STATEMENT OF CONSOLIDATED OPERATIONS (UNAUDITED)

(In Millions, Except Per Share)

	Twelve Months Ended December 31		
	1995	1994	% Change
	-----	-----	-----
Operating revenues:			
Passenger	\$13,227	\$12,295	+ 7.6
Cargo	757	685	+ 10.5
Other operating revenues	959	970	- 1.1
	-----	-----	
	14,943	13,950	+ 7.1
	-----	-----	
Operating expenses:			
Salaries and related costs	4,526	4,679	- 3.3
ESOP compensation expense	504	182	+176.9
Aircraft fuel	1,680	1,585	+ 6.0
Commissions	1,471	1,426	+ 3.2
Purchased services	1,062	947	+ 12.1
Aircraft rent	1,009	933	+ 8.1
Landing fees and other rent	803	622	+ 29.1
Depreciation and amortization	724	725	- 0.1
Food services	532	479	+ 11.1
Aircraft maintenance	407	410	- 0.7
Personnel expenses	285	248	+ 14.9
Other operating expenses	1,111	1,193	- 6.9
	-----	-----	
	14,114	13,429	+ 5.1
	-----	-----	
Earnings from operations	829	521	+ 59.1
	-----	-----	
Other income (expense):			
Interest expense	(399)	(372)	+ 7.3
Interest capitalized	42	41	+ 2.4
Interest income	98	85	+ 15.3
Equity in earnings of affiliates	51	20	
Miscellaneous, net	-	(124)	
	-----	-----	
	(208)	(350)	- 40.6
	-----	-----	
Earnings before income taxes, extraordinary item and cumulative effect of accounting change	621	171	
Provision for income taxes	243	94	
	-----	-----	
Earnings before extraordinary item and cumulative effect of accounting change	378	77	
Extraordinary loss on early extinguishment of debt, net of tax	(29)	-	
Cumulative effect of accounting change, net of tax	-	(26)	
	-----	-----	
Net earnings	\$ 349	\$ 51	
	=====	=====	
Per share, primary:			
Earnings before extraordinary item, cumulative effect of accounting change and preferred stock transactions	\$ 20.56	\$ 0.76	
Extraordinary item	(1.85)	-	
Cumulative effect of accounting change	-	(1.37)	
Preferred stock transactions	1.30	-	
	-----	-----	
Net earnings (loss)	\$ 20.01	\$ (0.61)	
	=====	=====	
Per share, fully diluted:			
Earnings before extraordinary item, cumulative effect of accounting change and preferred stock transactions	\$ 19.59	\$ 0.76	
Extraordinary item	(1.63)	-	
Cumulative effect of accounting change	-	(1.37)	
Preferred stock transactions	1.15	-	
	-----	-----	
Net earnings (loss)	\$ 19.11	\$ (0.61)	
	=====	=====	

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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 which were created as a part of the July 1994 employee investment transaction and recapitalization.

- (3) "Miscellaneous, net" consisted of the following:

	Fourth Quarter		Year	
	-----	-----	-----	-----
	1995	1994	1995	1994
	----	----	----	----
Foreign exchange gains (losses)	\$ (6)	\$ 6	\$ (20)	\$ 15
Gains on dispositions of property	11	2	60	10
Minority interests in Apollo Travel Services	(4)	(4)	(23)	(22)
Recapitalization transaction costs	-	-	-	(121)
Other	(1)	(1)	(17)	(6)
	----	----	----	-----
	\$ -	\$ 3	\$ -	\$ (124)
	=====	=====	=====	=====

- (4) The provisions for income taxes differ from the federal statutory rate of 35% principally due to state income taxes and certain nondeductible expenses, including certain expenses related to the recapitalization.
- (5) During 1995, UAL repaid prior to maturity \$750 million in principal amount of various debt securities, resulting in an aggregate extraordinary loss of \$29 million, after tax benefit of \$18 million. The securities were scheduled for repayment periodically through 2021.
- (6) UAL adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits," effective January 1, 1994. The effect of adopting SFAS No. 112 was a cumulative charge in 1994 for recognition of the transition liability of \$42 million, before tax benefits of \$16 million.

(7) In April 1995, UAL issued \$600 million in principal amount of 6 3/8% convertible subordinated debentures in exchange for all outstanding shares of its Series A convertible preferred stock. As a result of the exchange, UAL recorded a non-cash increase of \$45 million in additional capital invested representing the excess of the carrying value of the preferred stock exchanged over the fair value of the new debentures. During 1995, UAL repurchased 4,259,709 depository shares, representing 4,260 shares of its Series B 12 1/4% preferred stock, at an aggregate cost of \$131 million to be held in treasury. This resulted in a \$24 million decrease in total equity. These transactions had no effect on earnings; however, their net impact on UAL's equity is included in the computation of earnings per share. Earnings available to common stockholders were also reduced by \$3 million in the 1994 fourth quarter and twelve-month period for the excess of amounts paid to reacquire UAL preferred stock over the liquidation preference of such stock.

Per share amounts were calculated after providing for dividends on preferred stock of \$11 million in the 1995 fourth quarter, \$20 million in the 1994 fourth quarter, \$50 million in the 1995 twelve-month period and \$59 million in the 1994 twelve-month period. Average shares used in the computations were as follows:

	1995	1994
	----	----
	(In Millions)	
Fourth Quarter	12.5	12.4
Year:		
Primary	15.9	18.8
Fully diluted	17.9	18.8

Primary per share amounts in 1995 were based on weighted average common shares and common equivalents outstanding, including ESOP shares committed to be released. In addition, fully-diluted per share amounts assume the conversion of convertible debentures and elimination of related interest. Common stock equivalents were not included in the 1994 computations as they did not have a dilutive effect.

In connection with the July 1994 recapitalization, each old common share was exchanged for one half new common share. As required under generally accepted accounting principles for transactions of this type, the historical weighted average shares outstanding have not been restated. Thus, direct comparisons between per share amounts for the 1995 and 1994 annual periods are not meaningful.

UNITED AIR LINES, INC. AND SUBSIDIARY COMPANIES

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Three Months Ended December 31

	1995	1994	% Change
	-----	-----	-----
FINANCIAL SUMMARY (UNAUDITED)			
(in millions)			
Operating revenues	\$3,655	\$3,423	+ 6.8
Operating expenses (excluding ESOP charges and write down)	3,442	3,253	+ 6.5
Write down of retired aircraft	22	-	
ESOP compensation expense	168	94	+78.7
	-----	-----	
	3,632	3,347	+ 8.5
	-----	-----	
Earnings from operations	\$ 23	\$ 76	-69.7
	=====	=====	
OPERATING STATISTICS			
Revenue passengers (in thousands)	19,436	19,059	+ 2.0
Revenue passenger miles (in millions)	27,349	27,007	+ 1.3
Available seat miles (in millions)	39,640	38,403	+ 3.2
Passenger load factor (percent)	69.0	70.3	-1.3 pt.
Breakeven passenger load factor (percent)	68.5	68.6	-0.1 pt.
Breakeven passenger load factor excluding ESOP charges (percent)	64.9	66.3	-1.4 pt.
Revenue per passenger mile (cents)	11.74	11.15	+ 5.2
Operating revenue per available seat mile (cents)	9.22	8.91	+ 3.5
Operating expenses excluding ESOP charges per available seat mile (cents)	8.74	8.47	+ 3.2
Operating expenses excluding ESOP charges and write down per available seat mile (cents)	8.69	8.47	+ 2.5
Average price per gallon of jet fuel (cents)	64.0	60.5	+ 5.8
Number of aircraft in operating fleet at end of period	558	543	
Number of employees at end of period (thousands)	82.2	76.1	+ 8.0

UNITED AIR LINES, INC. AND SUBSIDIARY COMPANIES

	Twelve Months Ended December 31		
	1995	1994	% Change
FINANCIAL SUMMARY (UNAUDITED)			
(in millions)			
Operating revenues	\$14,895	\$13,887	+ 7.3
Operating expenses (excluding ESOP charges)	13,559	13,144	+ 3.2
One-time ESOP operating costs	-	48	
ESOP compensation expense	504	182	
	14,063	13,374	+ 5.2
Earnings from operations	\$ 832	\$ 513	+62.2
OPERATING STATISTICS			
Revenue passengers (in thousands)	78,808	74,241	+ 6.2
Revenue passenger miles (in millions)	111,811	108,299	+ 3.2
Available seat miles (in millions)	158,569	152,193	+ 4.2
Passenger load factor (percent)	70.5	71.2	-0.7 pt.
Breakeven passenger load factor (percent)	66.1	68.2	-2.1 pt.
Breakeven passenger load factor excluding ESOP charges (percent)	63.4	66.8	-3.4 pt.
Revenue per passenger mile (cents)	11.79	11.31	+ 4.2
Operating revenue per available seat mile (cents)	9.39	9.12	+ 2.9
Operating expenses excluding ESOP charges per available seat mile (cents)	8.55	8.64	- 1.0
Average price per gallon of jet fuel (cents)	59.5	58.8	+ 1.2
Number of aircraft in operating fleet at end of period	558	543	
Number of employees at end of period (thousands)	82.2	76.1	+ 8.0



UAL CORPORATION AND SUBSIDIARY COMPANIES  
EARNINGS AND EARNINGS PER SHARE  
THREE MONTHS ENDED DECEMBER 31, 1995

-----  
(In Millions, Except Per Share)

	GAAP Basis -----	"Fully Distributed" (1) (Excluding ESOP Charges) -----
EARNINGS		
-----		
Operating revenues	\$ 3,667	\$ 3,667
Operating expenses (excluding ESOP charges and write down)	(3,455)	(3,455)
Write down of retired aircraft	(22)	(22)
ESOP compensation expense	(168)	N/A
	-----	-----
Operating earnings	22	190
Non-operating expense	(51)	(51)
	-----	-----
Earnings (loss) before income taxes and extraordinary item	(29)	139
Provision (credit) for income taxes	(11)	54
	-----	-----
Earnings (loss) before extraordinary item	(18)	85
Extraordinary loss on debt extinguishment, net of tax	(29)	(29)
	-----	-----
Net earnings (loss)	(47)	56
	=====	=====
Preferred stock dividends	(11)	(8)
Preferred stock transactions	(23)	(23)
	-----	-----
Earnings attributable to common shareholders	\$ (81)	\$ 25
	=====	=====
SHARES		
-----		
Average common shares assumed outstanding	12.5	12.5
ESOP preferred shares assumed outstanding	N/A	17.7
Other	N/A	0.5
	-----	-----
Total shares assumed outstanding	12.5	30.7
	=====	=====
PER SHARE:		
-----		
Earnings before write down, extraordinary item, and preferred stock transactions	\$ (1.25)	\$ 2.95
Write down of retired aircraft, net of tax	(1.09)	(0.44)
Extraordinary item, net of tax	(2.35)	(0.95)
Preferred stock transactions	(1.81)	(0.73)
	-----	-----
	\$ (6.50)	\$ 0.83
	=====	=====

(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  
EARNINGS AND EARNINGS PER SHARE  
THREE MONTHS ENDED DECEMBER 31, 1994

-----  
(In Millions, Except Per Share)

	GAAP Basis -----	"Fully Distributed" (1) (Excluding ESOP Charges) -----
EARNINGS		
-----		
Operating revenues	\$ 3,439	\$ 3,439
Operating expenses (excluding ESOP charges)	(3,267)	(3,267)
ESOP compensation expense	(94)	N/A
	-----	-----
Operating earnings	78	172
Non-operating expense	(68)	(68)
	-----	-----
Earnings before income taxes	10	104
Provision (credit) for income taxes	(1)	37
	-----	-----
Net earnings	11	67
	=====	=====
Preferred stock dividends	(20)	(20)
Preferred stock transactions	(3)	(3)
	-----	-----
Earnings (loss) attributable to common shareholders	\$ (12)	\$ 44
	=====	=====
SHARES		
-----		
Average common shares assumed outstanding	12.4	12.4
ESOP preferred shares assumed outstanding	N/A	17.7
Other	N/A	0.1
	-----	-----
Total shares assumed outstanding	12.4	30.2
	=====	=====
PER SHARE:		
-----		
Earnings before preferred stock transactions	\$ (0.73)	\$ 1.57
Preferred stock transactions	(0.25)	(0.10)
	-----	-----
	\$ (0.98)	\$ 1.47
	=====	=====

(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  
EARNINGS AND EARNINGS PER SHARE  
TWELVE MONTHS ENDED DECEMBER 31, 1995

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(In Millions, Except Per Share)

	GAAP Basis -----	"Fully Distributed" (1) (Excluding ESOP Charges) -----
(Fully Diluted)		
EARNINGS		
-----		
Operating revenues	\$14,943	\$14,943
Operating expenses (excluding ESOP charges)	(13,610)	(13,610)
ESOP compensation expense	(504)	N/A
	-----	-----
Operating earnings	829	1,333
Non-operating expense	(208)	(208)
	-----	-----
Earnings before income taxes and extraordinary item	621	1,125
Provision (credit) for income taxes	243	434
	-----	-----
Earnings before extraordinary item	378	691
Extraordinary loss on debt extinguishment, net of tax	(29)	(29)
	-----	-----
Net earnings	349	662
	=====	=====
Preferred stock dividends	(50)	(37)
Preferred stock transactions	21	21
Other adjustments to net earnings	23	23
	-----	-----
Earnings attributable to common shareholders	\$ 343	\$ 669
	=====	=====
SHARES		
-----		
Average common shares assumed outstanding	12.4	12.4
ESOP preferred shares assumed outstanding	3.0	17.7
Other	2.5	2.5
	-----	-----
Total shares assumed outstanding	17.9	32.6
	=====	=====
PER SHARE:		
Earnings before extraordinary item and preferred stock transactions	\$ 19.59	\$ 20.77
Extraordinary item, net of tax	(1.63)	(0.89)
Preferred stock transactions	1.15	0.63
	-----	-----
	\$ 19.11	\$ 20.51
	=====	=====

(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.