

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-6033

UAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 36-2675207

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1200 East Algonquin Road, Elk Grove Township, Illinois 60007
Mailing Address: P. O. Box 66919, Chicago, Illinois 60666

(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 1997
Common Stock (\$0.01 par value)	59,173,122

UAL Corporation and Subsidiary Companies Report on Form 10-Q

For the Quarter Ended March 31, 1997

Index

PART I. FINANCIAL INFORMATION Page No.

Item 1. Financial statements:	
Condensed statements of consolidated financial position - as of March 31, 1997 (unaudited) and December 31, 1996	3
Statements of consolidated operations (unaudited) - for the three months ended March 31, 1997 and 1996	5

Condensed statements of consolidated cash flows (unaudited) - for the three months ended March 31, 1997 and 1996 6

Notes to consolidated financial statements (unaudited) 7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 9

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K 13

Signatures 14

Exhibit Index 15

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UAL Corporation and Subsidiary Companies
Condensed Statements of Consolidated Financial Position
(In Millions)

Assets	March 31, 1997 (Unaudited)	December 31, 1996
	-----	-----
Current assets:		
Cash and cash equivalents	\$ 455	\$ 229
Short-term investments	502	468
Receivables, net	1,119	962
Inventories, net	326	369
Deferred income taxes	222	227
Prepaid expenses and other	370	427
	-----	-----
	2,994	2,682
	-----	-----
Operating property and equipment:		
Owned	12,646	12,325
Accumulated depreciation and amortization	(5,476)	(5,380)
	-----	-----
	7,170	6,945
	-----	-----
Capital leases	2,060	1,881
Accumulated amortization	(603)	(583)
	-----	-----
	1,457	1,298
	-----	-----
	8,627	8,243
	-----	-----
Other assets:		
Intangibles, net	517	524
Deferred income taxes	88	132
Aircraft lease deposits	213	168
Other	911	928
	-----	-----
	1,729	1,752
	-----	-----
	\$ 13,350	\$ 12,677
	=====	=====

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Condensed Statements of Consolidated Financial Position
(In Millions)

Liabilities and Stockholders' Equity	March 31, 1997 (Unaudited)	December 31, 1996
	-----	-----
Current liabilities:		
Current portions of long-term debt and capital lease obligations	\$ 343	\$ 297
Advance ticket sales	1,486	1,189
Accounts payable	837	994
Other	2,644	2,523
	-----	-----
	5,310	5,003
	-----	-----
Long-term debt	1,623	1,661
	-----	-----
Long-term obligations under capital leases	1,472	1,325
	-----	-----
Other liabilities and deferred credits:		
Postretirement benefit liability	1,311	1,290
Deferred gains	1,147	1,151
Other	901	954
	-----	-----
	3,359	3,395
	-----	-----
Company-obligated mandatorily redeemable preferred securities of a subsidiary trust	102	102
	-----	-----
Minority interest	36	31
	-----	-----
Preferred stock committed to Supplemental ESOP	211	165
	-----	-----
Stockholders' equity:		
Preferred stock	-	-
Common stock at par	1	1
Additional capital invested	2,310	2,160
Accumulated deficit	(478)	(566)
Unearned ESOP preferred stock	(193)	(202)
Other	(403)	(398)
	-----	-----
	1,237	995
	-----	-----
Commitments and contingent liabilities (See note)		
	\$ 13,350	\$ 12,677
	=====	=====

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Statements of Consolidated Operations (Unaudited)
(In Millions, Except Per Share)

	Three Months Ended March 31	
	1997	1996
	----	----
Operating revenues:		
Passenger	\$ 3,626	\$ 3,278
Cargo	195	175
Other	300	282
	-----	-----
	4,121	3,735
	-----	-----
Operating expenses:		

Salaries and related costs	1,240	1,169
ESOP compensation expense	184	163
Aircraft fuel	554	474
Commissions	364	337
Purchased services	307	276
Aircraft rent	237	240
Landing fees and other rent	218	206
Depreciation and amortization	176	189
Aircraft maintenance	138	112
Other	509	507
	-----	-----
	3,927	3,673
	-----	-----
Earnings from operations	194	62
	-----	-----
Other income (expense):		
Interest expense	(69)	(85)
Interest capitalized	24	15
Interest income	12	18
Equity in earnings of affiliates	25	20
Miscellaneous, net	(15)	(20)
	-----	-----
	(23)	(52)
	-----	-----
Earnings before income taxes, distributions on preferred securities and extraordinary item	171	10
Provision for income taxes	65	4
	-----	-----
Earnings before distributions on preferred securities and extraordinary item	106	6
Distributions on preferred securities, net of tax	(1)	-
Extraordinary loss on early extinguishment of debt, net of tax	-	(29)
	-----	-----
Net earnings (loss)	\$ 105	\$ (23)
	=====	=====
Per share:		
Earnings (loss) before extraordinary item	\$ 0.92	\$ (0.32)
Extraordinary loss on early extinguishment of debt, net of tax	-	(0.58)
	-----	-----
Net earnings (loss)	\$ 0.92	\$ (0.90)
	=====	=====
Average shares	93.1	50.4

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Condensed Statements of Consolidated Cash Flows (Unaudited)
(In Millions)

	Three Months Ended March 31	
	1997	1996
	----	----
Cash and cash equivalents at beginning of period	\$ 229	\$ 194
	-----	-----
Cash flows from operating activities	680	374
	-----	-----
Cash flows from investing activities:		
Additions to property and equipment	(308)	(67)
Proceeds on disposition of property and equipment	14	9
Decrease (increase) in short-term investments	(34)	306
Other, net	-	40
	-----	-----
	(328)	288

Cash flows from financing activities:		
Repayment of long-term debt	(13)	(304)
Conversion of subordinated debentures	-	(161)
Principal payments under capital lease obligations	(59)	(48)
Aircraft lease deposits	(56)	(63)
Other, net	2	(32)
	(126)	(608)
Increase in cash and cash equivalents	226	54
Cash and cash equivalents at end of period	\$ 455	\$ 248
	=====	=====

Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 50	\$ 80
Income taxes	\$ 2	\$ -

Non-cash transactions:		
Capital lease obligations incurred	\$ 239	\$ 293
Increase in equity in connection with the conversion of subordinated debentures to common stock	\$ -	\$ 111

See accompanying notes to consolidated financial statements.

UAL Corporation and Subsidiary Companies
Notes to Consolidated Financial Statements (Unaudited)

The Company

UAL Corporation ("UAL") is a holding company whose principal subsidiary is United Air Lines, Inc. ("United").

Interim Financial Statements

The consolidated financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to or as permitted by such rules and regulations, although UAL believes that the disclosures are adequate to make the information presented not misleading. In management's opinion, all adjustments (which include only normal recurring adjustments) necessary for a fair presentation of the results of operations for the three month periods have been made. These financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in UAL's Annual Report on Form 10-K for the year 1996.

Employee Stock Ownership Plans

Pursuant to amended labor agreements which provide for wage and benefit reductions and work-rule changes which commenced July 1994, UAL has agreed to issue convertible preferred stock to employees. Note 2 of the Notes to Consolidated Financial Statements in the 1996 Annual Report on Form 10-K contains additional discussion of the agreements, stock to be issued to employees and the related accounting treatment. Shares earned in 1996 were allocated in March 1997 as follows: 190,307 shares of Class 2 ESOP Preferred Stock were contributed to the Non-Leveraged ESOP and an additional 537,917 shares were allocated in "book entry" form under the Supplemental Plan. Also, 2,345,745 shares of Class 1 ESOP Preferred Stock were allocated under the Leveraged ESOP. Finally, an additional 768,493 shares of Class 1 and Class 2 ESOP Preferred Stock have been committed to be released by the Company since January 1, 1997.

Income Taxes

The provisions for income taxes are based on the estimated annual effective tax rate, which differs from the federal statutory rate of 35% principally due to state income taxes and certain nondeductible expenses. Deferred tax assets are recognized based upon UAL's history of operating earnings and expectations for future taxable income.

Per Share Amounts

During the first quarter of 1996, UAL repurchased 843,210 depository shares, representing 843 shares of its Series B 12 1/4% preferred stock at an aggregate cost of \$27 million. These transactions had no effect on earnings; however, the difference of \$6 million 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 \$19 and \$16 million, respectively, in the 1997 and 1996 first quarters. Per share amounts for the 1997 first quarter were based on weighted average common shares and common stock equivalents outstanding, including ESOP shares committed to be released. Common stock equivalents were not included in the 1996 first quarter computations as they did not have a dilutive effect.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which establishes standards for computing and reporting earnings per share. SFAS No. 128 is effective for periods ending after December 15, 1997; earlier application is not permitted. Restatement of all prior-period earnings per share data is required. On a pro forma basis, first quarter 1997 earnings per share would be as follows:

Basic Earnings Per Share	\$ 1.45
Diluted Earnings Per Share	\$ 0.92

Prepayment of Long-Term Obligations

On March 7, 1997, Air Wis Services, Inc. ("Air Wis"), a wholly owned subsidiary of UAL, issued a notice of redemption for all of its outstanding 7 3/4% convertible subordinated debentures, due 2010. On April 8, \$16 million of debentures outstanding were redeemed at 100% of the principal amount plus accrued interest. The debentures have been reclassified to current long-term debt at March 31.

In the first quarter of 1996, UAL repaid prior to maturity \$242 million in principal amount of various debt securities, resulting in an aggregate extraordinary loss of \$29 million, after a tax benefit of \$18 million. The securities were scheduled for repayment periodically through 2021.

Contingencies and Commitments

UAL has certain contingencies resulting from litigation and claims (including environmental issues) incident to the ordinary course of business. Management believes, after considering a number of factors, including (but not limited to) the views of legal counsel, the nature of contingencies to which UAL is subject and its prior experience, that the ultimate disposition of these contingencies is not expected to materially affect UAL's consolidated financial position or results of operations.

At March 31, 1997, commitments for the purchase of property and equipment, principally aircraft, approximated \$6.7 billion, after deducting advance payments. An estimated \$2.6 billion will be spent during the remainder of 1997, \$2.0 billion in 1998, \$1.0 billion in 1999 and \$1.1 billion in 2000 and thereafter. The above amounts

reflect firm orders for 18 B777 aircraft, 21 B747 aircraft, 6 B757 aircraft, 16 A320 aircraft and 28 A319 aircraft to be delivered through 2002. However, these amounts do not include a recent order for an additional three B747 aircraft which are scheduled to be delivered in 1999.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

UAL's total of cash and cash equivalents and short-term investments was \$957 million at March 31, 1997, compared to \$697 million at December 31, 1996. Cash flows from operating activities amounted to \$680 million. Financing activities included principal payments under debt and capital lease obligations of \$13 million and \$59 million, respectively, and deposits of an equivalent \$56 million in Japanese yen with certain banks in connection with the financing of certain capital lease transactions.

In the first quarter of 1997, United took delivery of one A320 aircraft and two B777 aircraft. The A320 aircraft was purchased and the B777s were acquired under capital leases. Property additions, including the A320 and aircraft spare parts, amounted to \$308 million. Property dispositions resulted in proceeds of \$14 million.

At March 31, 1997, commitments for the purchase of property and equipment, principally aircraft, approximated \$6.7 billion, after deducting advance payments. An estimated \$2.6 billion will be spent during the remainder of 1997, \$2.0 billion in 1998, \$1.0 billion in 1999 and \$1.1 billion in 2000 and thereafter. The above amounts reflect firm orders for 18 B777 aircraft, 21 B747 aircraft, 6 B757 aircraft, 16 A320 aircraft and 28 A319 aircraft to be delivered through 2002. However, these amounts do not include a recent order for an additional three B747 aircraft which are scheduled to be delivered in 1999.

Funds necessary to finance aircraft acquisitions are expected to be obtained from internally generated funds, irrevocable external financing arrangements or other external sources.

In April 1997, Standard & Poor's raised its credit rating on United's senior unsecured debt to BB+ from BB and raised its credit rating on UAL's Series B preferred stock and redeemable preferred securities to BB- from B+.

RESULTS OF OPERATIONS

UAL's results of operations for interim periods are not necessarily indicative of those for an entire year, as a result of seasonal factors to which United is subject. First and fourth quarter results are normally affected by reduced travel demand in the fall and winter and United's operations, particularly at its Chicago and Denver hubs and at certain east coast cities, are adversely affected by winter weather on occasion.

The results of operations in the airline business historically fluctuate significantly in response to general economic conditions. This is because small fluctuations in yield (passenger revenue per revenue passenger mile) and cost per available seat mile can have a significant effect on operating results. UAL anticipates industrywide fare levels, capacity growth, low-cost competition, general economic conditions, labor and fuel costs, taxes, U.S. and international governmental policies and other factors will continue to affect its operating results.

Summary of Results

UAL's earnings from operations were \$194 million in the first quarter of 1997, compared to operating earnings of \$62 million in the first quarter of 1996. UAL had net

earnings in the 1997 first quarter of \$105 million (\$0.92 per share), compared to a net loss of \$23 million in the same period of 1996 (a loss of \$0.90 per share). The 1996 first quarter results include an extraordinary loss of \$29 million (\$0.58 per share) on early extinguishment of debt.

The per share amounts for the 1996 first quarter include the effects on equity of the repurchase of Series B preferred stock. See "Per Share Amounts" in the notes to consolidated financial statements.

Management believes that a more complete understanding of UAL's results can be gained by viewing them on a pro forma, "fully distributed" basis. This approach considers all ESOP shares which will ultimately be distributed to employees throughout the ESOP (rather than just the shares committed to be released) to be immediately outstanding and thus fully distributed. Consistent with this method, the ESOP compensation expense is excluded from fully distributed net earnings and ESOP convertible preferred stock dividends are not deducted from earnings attributable to common stockholders. On a fully distributed basis, UAL's net earnings for the 1997 first quarter would have been \$215 million (\$1.61 per share) compared to \$105 million (\$0.92 per share) as reported under generally accepted accounting principles. For the first quarter of 1996, fully distributed net earnings would have been \$76 million (\$0.50 per share) compared to a loss of \$23 million (loss of \$0.90 per share) as reported under generally accepted accounting principles. No adjustments are made to fully distributed earnings to take into account future salary increases.

Specific factors affecting UAL's consolidated operations for the first quarter of 1997 are described below.

First Quarter 1997 Compared with First Quarter 1996.

Operating revenues increased \$386 million (10%). United's revenue per available seat mile increased 7% to 10.19 cents. Passenger revenues increased \$348 million (11%) due to a 5% increase in yield to 12.80 cents and a 5% increase in revenue passenger miles. The Company believes that passenger revenues benefited by approximately \$25 million due to the threat of a labor strike at a major competitor. The following analysis by market is based on information reported to the U.S. Department of Transportation:

Latin America revenue passenger miles increased 7% over the same period last year, with a 13% increase in yield largely due to the strengthening Latin America economy. Atlantic revenue passenger miles increased 11% and yield increased nearly 5% for the period. In the Pacific, revenue passenger miles increased 3% and yield increased 1% from the same period last year. Pacific yields continue to be negatively impacted by the weakness of the Japanese yen to the dollar. Domestic revenue passenger miles increased 5% with a 6% increase in yield. The increase in domestic yield is a result of a strong market industry-wide coupled with continued success in attracting a better mix of higher-yield business travelers. Available seat miles increased 4% systemwide, reflecting increases of 13% in the Atlantic, 1% in the Pacific and 4% on Domestic routes, offset by a decrease of 4% in Latin America. The system passenger load factor increased 1.2 points to 69.9%.

Cargo revenues increased \$20 million (11%) as freight revenues increased 13% and mail revenues increased 9%. Cargo yield decreased 2% from the same period last year. Other operating revenues increased \$18 million (6%) due to increases in Mileage Plus partner-related revenues and fuel sales to third parties.

Operating expenses increased \$254 million (7%) and United's cost per available seat mile increased 3%, from 8.98 cents to 9.27 cents. ESOP compensation expense increased \$21 million (13%), reflecting a higher average common stock price in 1997. Aircraft fuel expense

increased \$80 million (17%) due to a 2% increase in consumption and a 15% increase in the average price per gallon of fuel to 78.3 cents. Without the increases in ESOP compensation expense and aircraft fuel, United's cost per available seat mile would have increased 2%. Salaries and related costs increased \$71 million (6%) due mainly to increased staffing in certain customer-oriented positions. Landing fees and other rent increased \$12 million (6%) due to increased landing fees and facilities rent at various airports. Purchased services increased \$31 million (11%) due principally to volume-related increases in computer reservations fees and credit card discounts. Aircraft maintenance increased \$26 million (23%) due to increased purchased maintenance, as well as the timing of maintenance cycles. Commissions increased \$27 million (8%) due primarily to increased commissionable revenues. Depreciation and amortization decreased \$13 million (7%) due to lower depreciation on DC10-10 aircraft, which are being exchanged for B727 hushkits.

Other expense amounted to \$23 million in the first quarter of 1997 compared to \$52 million in the first quarter of 1996. Interest expense decreased \$16 million (19%) due to the prepayment of long-term debt in 1996. Interest capitalized, primarily on aircraft advance payments, increased \$9 million (60%). Interest income decreased \$6 million (33%) due to lower investment balances. Equity in earnings of affiliates increased \$5 million (25%) due primarily to higher earnings from the Galileo International Partnership resulting from increased booking revenues. Included in "Miscellaneous, net" in the 1997 and 1996 first quarters were foreign exchange losses of \$5 million and \$6 million, respectively.

LABOR AGREEMENTS AND WAGE ADJUSTMENTS

Both the Air Line Pilots Association, International ("ALPA") and the International Association of Machinists and Aerospace Workers ("IAM") ratified previously announced mid-term wage adjustments. Included in the agreements are a 5% increase to wage rates for each union group in July 1997 and a second 5% increase in July 1998. Further, the agreement with ALPA calls for a corresponding 5% increase in both 1997 and 1998 to "book rates" (book rates are used to compute certain other employee benefits), and the agreement with the IAM provides for lump sum payments for all IAM employees and increases in hourly license premium and skill pay for mechanics. These agreements also provide for restoration of wage rates for the two groups in the year 2000 to levels that existed prior to the recapitalization in July 1994, as well as restoration of the Company's contribution to the pilots defined contribution plan from its current rate of 1% to its pre-ESOP rate of 9% in the year 2000.

In March, the Company also announced the details of mid-term wage adjustments for non-union United States salaried and management employees. Salaried employees will receive a 5% increase in both July 1997 and July 1998, as well as a lump-sum payment in July 1997. Management employees will receive a 4% increase in both July 1997 and July 1998, and management employees not participating in the Company's Incentive Compensation Plan will participate in a three-year profit-sharing plan that could pay an additional amount in 1998, 1999 and 2000, if the Company meets specific pre-tax earnings objectives in 1997, 1998 and 1999, respectively. The cost to the Company in 1997 for these wage and benefit adjustments is approximately \$120 million.

OUTLOOK FOR 1997

In 1997, available seat miles are expected to increase approximately 3.5%, with total system revenue per available seat mile up approximately 3%. Costs per available seat mile excluding ESOP charges are expected to increase approximately 2%. This unit cost forecast assumes the average cost of jet fuel per gallon is lower in 1997 than in 1996.

For the second quarter, United expects total system revenue per available seat mile to increase approximately 3%

versus the same period last year, on 3% higher capacity. System load factor is forecast to increase slightly compared to second quarter 1996. Costs per available seat mile excluding ESOP charges are expected to increase 3% over the same period last year.

Based on the favorable industry environment, advance bookings and first quarter results, the Company anticipates its "fully distributed" earnings per share in 1997 will exceed those for 1996 (see "Results of Operations, Summary of Results" for further explanation of this pro forma methodology). Due to the reinstatement of the Federal passenger excise tax (see below), the Company believes the rate of improvement in year-over-year "fully distributed" earnings for the second and third quarter will be less than in the first quarter. Based on the current favorable industry environment, the Company expects second quarter 1997 "fully distributed" earnings per share to be slightly higher than second quarter 1996.

The Federal passenger excise tax, which expired on December 31, 1996, was reinstated during the first quarter. While the authority to collect this tax is scheduled to expire once again at the end of the third quarter, the Company expects a replacement funding mechanism, either reinstatement of the current tax or a substitute user-based fee system, to go into effect at the end of this period.

The information included in the previous paragraphs is forward-looking and involves risks and uncertainties that could result in actual results differing materially from expected results. It is not reasonably possible to itemize all of the many factors and specific events that could affect the outlook of an airline operating in the global economy. Some factors that could significantly impact expected capacity, load factors, revenues, unit revenues, unit costs and earnings per share include the airline pricing environment, fuel costs, low-fare carrier expansion, cost of safety and security measures, actions of the U.S., foreign and local governments, foreign currency exchange rate fluctuations, the economic environment of the airline industry, the general economic environment, and other factors discussed herein.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

A list of exhibits included as part of this Form 10-Q is set forth in an Exhibit Index which immediately precedes such exhibits.

(b) Form 8-K dated May 6, 1997 to report a cautionary statement for purposes of the "Safe Harbor for Forward-Looking Statements" provision of the Private Securities Litigation Reform Act of 1995.

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 thereunto duly authorized.

UAL CORPORATION

By: /s/ Douglas A. Hacker

Douglas A. Hacker
Senior Vice President and

Dated: May 8, 1997

Exhibit Index

Exhibit No. -----	Description -----
10.1	Supplemental Agreement No. 10 dated as of April 11, 1997 to the Agreement dated December 18, 1990 between The Boeing Company ("Boeing") and United Air Lines, Inc. ("United") (and United Worldwide Corporation) for acquisition of Boeing 747-400 aircraft (as previously amended and supplemented, the "747-400 Purchase Agreement" (filed as Exhibit 10.8 to UAL Corporation's ("UAL") Form 10-K for the year ended December 31, 1990, and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.4 and 10.5 to UAL's Form 10-K for the year ended December 31, 1991, (ii) Exhibits 10.3, 10.4, 10.5, 10.6 and 10.22 to UAL's Form 10-Q for the quarter ended June 30, 1993, (iii) Exhibit 10.3 to UAL's Form 10-K for the year ended December 31, 1993, (iv) Exhibit 10.14 to UAL's Form 10-Q for the quarter ended June 30, 1994, (v) Exhibits 10.29 and 10.30 to UAL's Form 10-K for the year ended December 31, 1994, (vi) Exhibits 10.4 through 10.8 to UAL's Form 10-Q for the quarter ended March 31, 1995, (vii) Exhibits 10.7 and 10.8 to UAL's Form 10-Q for the quarter ended June 30, 1995, (viii) Exhibit 10.41 to UAL's Form 10-K for the year ended December 31, 1995, and (ix) Exhibits 10.4 and 10.5 to UAL's Form 10-Q for the quarter ended June 30, 1996, as amended, and incorporated herein by reference)). (Exhibit 10.1 hereto is filed with a request for confidential treatment of certain portions thereof.)
10.2	Supplemental Agreement No. 11 dated as of April 11, 1997 to the 747-400 Purchase Agreement. (Exhibit 10.2 hereto is filed with a request for confidential treatment of certain portions thereof.)
10.3	Letter Agreement No. 6-1162-DLJ-891R5 dated April 11, 1997 to the 747-400 Purchase Agreement. (Exhibit 10.3 hereto is filed with a request for confidential treatment of certain portions thereof.)
10.4	Amendment No. 5 dated August 22, 1996 to the Agreement dated August 10, 1992 between AVSA, S.A.R.L., as seller, and United, as buyer, for the acquisition of Airbus Industrie A320-200 model aircraft (as previously amended and supplemented, "A320-200 Purchase Agreement" (filed as Exhibit 10.14 to UAL's Form 10-K for the year ended December 31, 1992, and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.4 and 10.5 to UAL's Form 10-K for the year ended December 31, 1993, (ii) Exhibits 10.15 and 10.16 to UAL's Form 10-Q for the quarter ended June 30, 1994, (iii) Exhibit 10.31 to UAL's Form 10-K for the year ended December 31, 1994, (iv) Exhibit 10.9 to UAL's Form 10-Q for the quarter ended June 30, 1995, and (v) Exhibit 10.42 to UAL's Form 10-K for the year ended December 31, 1995, and incorporated herein by reference)). (Exhibit 10.4 hereto is filed with a request for confidential treatment of certain portions thereof.)
10.5	Amendment No. 6 dated January 31, 1997 to the A320-200 Purchase Agreement dated August 10, 1992. (Exhibit 10.5 hereto is filed with a request for confidential treatment of certain portions thereof.)
10.6	Amendment No. 7 dated January __, 1997 to the A320-200 Purchase Agreement dated August 10, 1992. (Exhibit 10.6

hereto is filed with a request for confidential treatment of certain portions thereof.)

- 11 Calculation of Fully Diluted Net Earnings Per Share.
- 12.1 Computation of Ratio of Earnings to Fixed Charges.
- 12.2 Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements.
- 27 Financial Data Schedule.

Supplemental Agreement No. 10
to
Purchase Agreement No. 1670
between
THE BOEING COMPANY
and
UNITED AIR LINES, INC.
Relating to Boeing Model 747-422 Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of the 11th day of April 1997, by and between THE BOEING COMPANY, a Delaware corporation (hereinafter called Boeing), and UNITED AIR LINES, INC., a Delaware corporation (hereinafter called Buyer);

W I T N E S S E T H:

WHEREAS, the parties entered into that certain Purchase Agreement No. 1670, dated as of December 18, 1990, relating to the purchase and sale of Boeing Model 747-422 aircraft (hereinafter referred to as "The Aircraft", or the "Firm Aircraft", [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] or the "Option Aircraft", as such capitalized terms, and any other capitalized terms used herein, unless otherwise specifically defined herein, are defined in the "Purchase Agreement" (as such term is defined below)), which agreement, as amended and supplemented, together with all exhibits, specifications and letter agreements related or attached thereto, is hereinafter called the "Purchase Agreement" and;

WHEREAS, on July 12, 1996 Buyer and Boeing signed Supplemental Agreement No. 9 to the Purchase Agreement; and

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

WHEREAS, Buyer and Boeing wish to make certain additional amendments to the Purchase Agreement to reflect the agreements set forth in Supplemental Agreement No. 9.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree to amend the Purchase Agreement as follows:

1. The Table of Contents is deleted in its entirety and replaced with a new Table of Contents contained in Attachment 1 hereto.

P.A. No. 1670 SA10-1

2. Article 3, entitled Price of Aircraft is deleted in its entirety and replaced with a new Article 3 contained in Attachment 2 hereto.

3. Delete the following "Months to be Utilized in Determining the Value of H & W" from the table on page 3 of Exhibit D, entitled Price Adjustment due to Economic Fluctuations - - Airframe & Engine.

Month of Scheduled Aircraft Delivery as Set Forth in Article 2.1 of the Agreement	Months to be Utilized Determining the Value of H & W
-----	-----

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

4. The Purchase Agreement is amended by adding Exhibit D-1, entitled Price Adjustment due to Economic Fluctuations -

Airframe & Engine contained in Attachment 3 hereto.

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[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

6. This Supplemental Agreement is subject to the confidentiality provisions of Letter Agreement 6-1162-DLJ-886.

P.A. No. 1670 SA10-2

7. The Purchase Agreement shall be deemed amended to the extent herein provided and as amended shall continue in full force and effect.

EXECUTED IN DUPLICATE as of the day and year first above written.

THE BOEING COMPANY UNITED AIR LINES, INC.

By: /s/ M.D. Hurt By: /s/ Douglas A. Hacker

Its: Attorney In Fact Its: Senior Vice President and Chief Financial Officer

P.A. No. 1670 SA10-3

TABLE OF CONTENTS

Table with 2 columns: Article/Exhibit Name and Page Number. Includes entries for ARTICLE 1 through ARTICLE 15, EXHIBIT A through EXHIBIT F, and EXHIBIT D-1.

P.A. No 1670 I

Attachment 2 to Supplemental Agreement No. 10 to Purchase Agreement No. 1670

ARTICLE 3. Price of Aircraft.

3.1 Basic Price.

3.1.1 Basic Price for Aircraft prior to

1997.

The basic price of each Aircraft scheduled for delivery prior to January 1, 1997 shall be equal to the sum of [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] and (ii) such price adjustments applicable to such Aircraft as may be made pursuant to the provisions of this Agreement, including Article 7 (Changes to Detail Specification) and Article 8 (FAA Requirements) or other written agreements executed by Buyer and Boeing.

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

3.2 Purchase Price. The purchase price of each Aircraft shall be equal to the sum of the following items as determined at the time of such Aircraft delivery: (i) the basic price of such Aircraft, (ii) the Airframe and Engine Price Adjustments to be determined pursuant to Exhibit D (Price Adjustment Due to Economic Fluctuations - Airframe and Engine) attached hereto [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] and the Airframe and Engine Price Adjustments to be determined pursuant to Exhibit D-1 (Price Adjustment Due

P.A. No. 1670 3-1

Attachment 2 to
Supplemental Agreement No. 10 to
Purchase Agreement No. 1670

to Economic Fluctuations -Airframe and Engine) attached hereto [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] and (iii) such price adjustments applicable to such Aircraft as may be made pursuant to the provisions of this Agreement, including Exhibit E (Buyer Furnished Equipment Document) or other written agreements executed by Boeing and Buyer (the "Purchase Price").

P.A. No. 1670 3-2

Attachment 3 to
Supplemental Agreement No. 10 to
Purchase Agreement No. 1670

AIRFRAME AND ENGINE PRICE ADJUSTMENT

between

THE BOEING COMPANY

and

UNITED AIR LINES, INC.

Exhibit D-1 to Purchase Agreement Number 1670

P.A. No. 1670

Attachment 3 to
Supplemental Agreement No. 10 to
Purchase Agreement No. 1670

PRICE ADJUSTMENT DUE TO

ECONOMIC FLUCTUATIONS

AIRFRAME PRICE ADJUSTMENT

(1995 Base Price)

1. Formula.

For those Aircraft scheduled for delivery after
[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR
CONFIDENTIAL TREATMENT] the Airframe Price Adjustment will be
determined at the time of Aircraft delivery in accordance with
the following formula:

$$Pa = (P) (L + M - 1)$$

Where:

Pa = Airframe Price Adjustment.

$$L = .65 \times \frac{ECI}{130.1}$$

$$M = .35 \times \frac{ICI}{123.6}$$

P = Aircraft Basic Price (as set forth in Article 3.1.3
of this Agreement) less the base price of Engines (as
defined in this Exhibit D-1) in the amount of
[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH
THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A
REQUEST FOR CONFIDENTIAL TREATMENT]

ECI = A value using the "Employment Cost Index for workers
in aerospace manufacturing" (aircraft manufacturing,
standard industrial classification code 3721,
compensation, base month and year June 1989 = 100), as
released by the Bureau of Labor Statistics, U.S.
Department of Labor on a quarterly basis for the months of
March, June, September and December, calculated as
follows: A three-month arithmetic average value
(expressed as a decimal and rounded to the nearest tenth)
will be determined using the months set forth in the table
below for the applicable Aircraft, with the released
Employment Cost Index value described above for the month
of March also being used for the months of January and
February; the value for June

P.A. No. 1670
PA/NEXD-1

D-1-1

Attachment 3 to
Supplemental Agreement No. 10 to
Purchase Agreement No. 1670

also used for April and May; the value for
September also used for July and August; and the value for
December also used for October and November.

ICI = The three-month arithmetic average of the released
monthly values for the Industrial Commodities Index as set
forth in the "Producer Prices and Price Index" (Base Year
1982 = 100) as released by the Bureau of Labor Statistics,
U.S. Department of Labor values (expressed as a decimal
and rounded to the nearest tenth) for the months set forth
in the table below for the applicable Aircraft.

In determining the value of L, the ratio of ECI divided
by 130.1 will be expressed as a decimal rounded to the nearest
ten-thousandth and then multiplied by .65 with the resulting
value also expressed as a decimal and rounded to the nearest ten-
thousandth.

In determining the value of M, the ratio of ICI divided by 123.6 will be expressed as a decimal rounded to the nearest ten-thousandth and then multiplied by .35 with the resulting value also expressed as a decimal and rounded to the nearest ten-thousandth.

Month of Scheduled Aircraft Delivery as Set Forth in Article 2.1 of the Agreement
- - - - -

Months to be Utilized in Determining the Value ECI and ICI
- - - - -

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2. If at the time of delivery of an Aircraft Boeing is unable to determine the Airframe Price Adjustment because the applicable values to be used to determine the ECI and ICI have not been released by the Bureau of Labor Statistics, then:

P.A. No. 1670 D-1-2
PA/NEXD-1

Attachment 3 to Supplemental Agreement No. 10 to Purchase Agreement No. 1670

2.1 The Airframe Price Adjustment, to be used at the time of delivery of each of the Aircraft scheduled for delivery after December 31, 1998, will be determined by utilizing the escalation provisions set forth above. The values released by the Bureau of Labor Statistics and available to Boeing 30 days prior to scheduled Aircraft delivery will be used to determine the ECI and ICI values for the applicable months (including those noted as preliminary by the Bureau of Labor Statistics) to calculate the Airframe Price Adjustment. If no values have been released for an applicable month, the provisions set forth in Paragraph 2.2 below will apply. If prior to delivery of an Aircraft the U.S. Department of Labor changes the base year for determination of the ECI or ICI values as defined above, such rebased values will be incorporated in the Airframe Price Adjustment calculation. The payment by Buyer to Boeing of the amount of the Purchase Price for such Aircraft, as determined at the time of Aircraft delivery, will be deemed to be the payment for such Aircraft required at the delivery thereof.

2.2 If prior to delivery of an Aircraft the U.S. Department of Labor substantially revises the methodology used for the determination of the values to be used to determine the ECI and ICI values (in contrast to benchmark adjustments or other corrections of previously released values), or for any reason has not released values needed to determine the applicable Aircraft Airframe Price Adjustment, the parties will, prior to delivery of any such Aircraft, select a substitute for such values from data published by the Bureau of Labor Statistics or other similar data reported by non-governmental United States organizations, such substitute to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original values as they may have fluctuated during the applicable time period. Appropriate revision of the formula will be made as required to reflect any substitute values. However, if within 24 months from delivery of the Aircraft the Bureau of Labor Statistics should resume releasing values for the months needed to determine the Airframe Price Adjustment, such values will be used to determine any increase or decrease in the Airframe Price Adjustment for the Aircraft from that determined at the time of delivery of such Aircraft.

2.3 In the event escalation provisions are made non-enforceable or otherwise rendered null and void by any agency of the United States Government, the parties agree,

P.A. No. 1670 D-1-3
PA/NEXD-1

The value of the sum of AA + BB + CC will also be rounded to the nearest ten-thousandth.

L = Labor Index, which is the "Hourly Earnings of Aircraft Engines and Engine Parts Production Workers, SIC 3724" published by the Bureau of Labor Statistics, U.S. Department of Labor,

P.A. No. 1670 D-1-5
PA/NEXD-1

Attachment 3 to
Supplemental Agreement No. 10 to
Purchase Agreement No. 1670

for the seventh month preceding the month of scheduled Aircraft delivery.

\$17.80 = Published Labor Index (SIC 3724) for December, 1994.

M = Material Index, which is the "Producer Price Index - Code 10, Metals and Metal Products," (Base Year 1982 = 100) published by the Bureau of Labor Statistics, U.S. Department of Labor, for the seventh month preceding the month of scheduled Aircraft delivery.

130.6 = Published Material Index (Code 10) for December, 1994.

E = Fuel Index, which is the "Producer Price Index - Code 5, Fuels and Related Products and Power" (Base Year 1982 = 100) published for the Bureau of Labor Statistics, U.S. Department of Labor, for the seventh month preceding the month of scheduled Aircraft delivery.

76.6 = Published Fuel Index (Code 5) for December, 1994.

The Engine Price Adjustment will not be made if it would result in a decrease in the aggregate Engine base price.

(c) The value of the Labor, Material and Fuel Index used in determining the Engine Price Adjustment will be those published by the Bureau of Labor Statistics, U.S. Department of Labor as of a date 30 days prior to the scheduled Aircraft delivery to Buyer. Such Index values will be considered final and no revision to the Engine Price Adjustment will be made after Aircraft delivery for any subsequent changes in published Index values.

(d) If the Bureau of Labor Statistics, U. S. Department of Labor, (i) substantially revises the methodology (in contrast to benchmark adjustments or other corrections of previously published data), or (ii) discontinues publication of any of the data referred to above or (iii) temporarily discontinues publication of any of the data referred to above, Pratt & Whitney Aircraft (P&WA) agrees to meet jointly with Boeing and Buyer and jointly select a substitute for the revised or discontinued data, such

P.A. No. 1670 D-1-6
PA/NEXD-1

Attachment 3 to
Supplemental Agreement No. 10 to
Purchase Agreement No. 1670

substitute data to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original data as it may have fluctuated had it not been revised or discontinued. Appropriate revision of the Engine Price Adjustment provisions set forth above will be made to accomplish this result for affected Engines.

In the event the Engine Price Adjustment escalation provisions of this Agreement are made non-enforceable or otherwise rendered null and void by any agency of the United States Government, P&WA agrees to meet jointly with Boeing and Buyer and jointly agree, to the extent that they may lawfully do so, to adjust equitably the purchase price of the Engine(s) to reflect an allowance for increases in labor, material and fuel costs that occurred from December, 1994 to the seventh month preceding the month of scheduled delivery of the applicable Aircraft.

NOTES: Any rounding of a number, as required under this Exhibit D-1 with respect to escalation of the Engine price, will be accomplished as follows: if the first digit of the portion to be dropped from the number to be rounded is five or greater, the preceding digit will be raised to the next higher number.

Supplemental Agreement No. 11
to
Purchase Agreement No. 1670
between
THE BOEING COMPANY
and
UNITED AIR LINES, INC.

Relating to Boeing Model 747-422 Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of the 11th day of April 1997, by and between THE BOEING COMPANY, a Delaware corporation (hereinafter called Boeing), and UNITED AIR LINES, INC., a Delaware corporation (hereinafter called Buyer);

W I T N E S S E T H:

WHEREAS, the parties entered into that certain Purchase Agreement No. 1670, dated as of December 18, 1990, relating to the purchase and sale of Boeing Model 747-422 aircraft (hereinafter referred to as "The Aircraft", or the "Firm Aircraft", [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] or the "Option Aircraft", as such capitalized terms, and any other capitalized terms used herein, unless otherwise specifically defined herein, are defined in the "Purchase Agreement" (as such term is defined below)), which agreement, as amended and supplemented, together with all exhibits, specifications and letter agreements related or attached thereto, is hereinafter called the "Purchase Agreement" and;

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree to amend the Purchase Agreement as follows:

1. The following Letter Agreement is executed contemporaneously with this Supplemental Agreement and is attached hereto.

Agreement No. -----	Subject -----
6-1162-DLJ-891R5	[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2. Article 2, entitled Delivery of Aircraft; Title and Risk of Loss, paragraph 2.1 is hereby deleted in its entirety and replaced with the new paragraph 2.1 contained in Attachment 1 hereto, which adds [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

3. Article 5, entitled Payment, paragraph 5.1, entitled Advance Payment Base Price, is hereby deleted and replaced with the new paragraph 5.1 contained in Attachment 2 hereto, which includes the Advance Payment Base Prices for the [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

4. The following "Months to be Utilized in Determining the Value of H & W" are hereby added to the table on page 3 of Exhibit D-1, entitled Price Adjustment due to Economic Fluctuations.

Month of Scheduled Aircraft Delivery as Set Forth in Article 2.1 of the Agreement -----	Months to be Utilized Determining the Value of H&W -----
[*CONFIDENTIAL MATERIAL	[*CONFIDENTIAL MATERIAL

5. This Supplemental Agreement is subject to the confidentiality provisions of Letter Agreement 6-1162-DLJ-886.

6. The Purchase Agreement shall be deemed amended to the extent herein provided and as amended shall continue in full force and effect.

EXECUTED IN DUPLICATE as of the day and year first above written.

THE BOEING COMPANY

UNITED AIR LINES, INC.

By: /s/ M. D. Hurt

By: Douglas A. Hacker

Its: Attorney In Fact

Its: Senior Vice President and
Chief Financial Officer

P.A. No. 1670
K/UAL/CONT/SA11-1670.doc

SA 9-2

Attachment 1 to
Supplemental Agreement No. 11

ARTICLE 2. Delivery of Aircraft; Title and Risk of Loss.

2.1 Time of Delivery. Each Aircraft shall be delivered to Buyer assembled and ready for flight, and Buyer shall accept delivery of such Aircraft, during or, if mutually agreed, before the months set forth in the following schedule:

Month and Year of Delivery	Quantity of Aircraft	Status (as of S.A. No. 119)
August 1992	One (1)	Delivered
October 1992	One (1)	Delivered
December 1992	One (1)	Delivered
April 1993	Two (2)	Delivered
June 1993	One (1)	Delivered
August 1993	One (1)	Delivered
June 1994*	One (1)	S.A. #5 Delivered
July 1994*	One (1)	S.A. #5 Delivered
May 1996*	One (1)	Firm S.A. #6
June 1996*	One (1)	Firm S.A. #6
June 1996*	One (1)	Reconfirmation Aircraft {Buyer Passed}
August 1996	One (1)	Reconfirmation Aircraft {Buyer Passed}
April 1997	One (1)	S.A. #6 Reconfirmation Aircraft {Buyer Passed}
May 1997	One (1)	S.A. #6 Reconfirmation Aircraft {Buyer Passed}
May 1997*	One (1)	Firm S.A. #8
[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	[CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	[CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment 1 to
Supplemental Agreement No. 11

Month and Year of Delivery	Quantity of Aircraft	Status (as of S.A. No. 11)
[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]	[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]
Total	39	

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

If Boeing gives Buyer at least ten (10) days' advance notice of the delivery date for an Aircraft, and delivery is delayed beyond such date due to Buyer's fault or responsibility, Buyer shall promptly reimburse Boeing for all costs and expenses incurred by Boeing as a result of such delay, including but not limited to reasonable amounts for storage, insurance, taxes, preservation or protection of the Aircraft, and interest on payments due.

P.A. No. 1670 1-2
K/UAL/CONT/SA11-1670.DOC

Attachment 2 to
Supplemental Agreement No. 11

ARTICLE 5. Payment.

5.1 Advance Payment Base Price. The advance payment base price of each Aircraft, depending on the month and year of scheduled delivery, is indicated below:

Month and Year of Scheduled Delivery	Advance Payment Base Price per Aircraft
-----	-----
August 1992	[*CONFIDENTIAL
October 1992	MATERIAL
December 1992	OMITTED AND
April 1993	FILED
August 1993	SEPARATELY
November 1993	WITH THE
June 1994*	SECURITIES AND
July 1994*	EXCHANGE
May 1996*	COMMISSION
June 1996*	PURSUANT
June 1996	TO A
August 1996	REQUEST FOR
April 1997	CONFIDENTIAL
May 1997*	TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Attachment 2 to
Supplemental Agreement No. 11

[*CONFIDENTIAL MATERIAL
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SEPARATELY WITH
THE SECURITIES
AND EXCHANGE
COMMISSION
PURSUANT TO A
REQUEST FOR
CONFIDENTIAL
TREATMENT]

[*CONFIDENTIAL MATERIAL
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SEPARATELY WITH
THE SECURITIES
AND EXCHANGE
COMMISSION
PURSUANT TO A
REQUEST FOR
CONFIDENTIAL
TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES
AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES
AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

Such advance payment base prices will be used to determine the amount of the first advance payment to be made by Buyer on each Aircraft pursuant to the provisions of Article 5.2. The advance payment base prices of each Aircraft has been established using currently available forecasts of the escalation factors used by Boeing and applicable to the scheduled month and year of Aircraft delivery. The advance payment base prices will be further increased or decreased by Boeing not later than twenty-five (25) months prior to the scheduled month of delivery, as required to reflect the effects of the then-current forecasted escalation factors used by Boeing in accordance with Exhibit D. The advance payment base price of each Aircraft, including any adjustments made thereto, as contemplated herein, is referred to as the "Advance Payment Base Price."

Supplemental Agreement No. 11

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES
AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

6-1162-DLJ-891R5
April 11, 1997

United Air Lines, Inc.
P.O. Box 66100
Chicago, Illinois 60666

Subject: Letter Agreement No. 6-1162-DLJ-891R5
to Purchase Agreement No. 1670 -
[*CONFIDENTIAL MATERIAL OMITTED
AND FILED SEPARATELY WITH THE
SECURITIES AND EXCHANGE
COMMISSION PURSUANT TO A
REQUEST FOR CONFIDENTIAL TREATMENT]

Gentlemen:

Reference is made to Purchase Agreement No. 1670 dated as of December 18, 1990 (the Purchase Agreement) between The Boeing Company (Boeing), and United Air Lines, Inc. (Buyer), relating to the sale by Boeing and the purchase by Buyer of forty-two (42) Model 747-422 aircraft (hereinafter referred to as the Aircraft).

Further reference is made to Letter Agreement 1670-5 dated as of even date herewith to the Purchase Agreement relating to the granting of options to purchase eleven (11) Model 747-422 option aircraft (the Option Aircraft).

This letter, when accepted by Buyer contemporaneously with the execution of the Purchase Agreement, will become part of the Purchase Agreement and will evidence our further agreement with respect to the matters set forth below.

All terms used herein and in the Purchase Agreement, and not defined herein, shall have the same meaning as in the Purchase Agreement.

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

P.A. No. 1670 SA-11
K/UAL

United Air Lines, Inc.
6-1162-DLJ-891R5 Page 2

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2. Escalation of Credit Memoranda.

The actual amount of the credit memoranda to be provided pursuant to paragraph 1 above shall be determined by escalating the base amount of such credit by application of the airframe escalation provisions described in Exhibit D of the Purchase Agreement and Attachment A to Letter Agreement 1670-5 or such Airframe escalation provisions as are applicable to the Option Aircraft, as such credits are applicable to the Firm Aircraft or Option Aircraft for which such respective credit is issued.

P.A. No. 1670 SA-11
K/UAL

United Air Lines, Inc.
6-1162-DLJ-891R5 Page 3

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

P.A. No. 1670 SA-11
K/UAL

United Air Lines, Inc.
6-1162-DLJ-891R5 Page 4

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is paid in full at a fluctuating rate per annum equal to one percent (1%) plus the rate of interest announced publicly by Citibank, N.A., New York as its base rate, from time to time, as such bank's base rate may change, each change in such fluctuating rate to take place simultaneously with the

corresponding change in such base rate, calculated on the basis of a year of 365/366 days for the actual number of days elapsed. If Boeing elects option (ii) above, Buyer shall pay to Boeing [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] and interest due thereon, on the date of delivery of each Aircraft to which [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Boeing shall issue a credit memorandum to Buyer in the amount equal to the accrued interest on [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

7. Program Changes.

Article 7.2 entitled Program Changes of the Purchase Agreement is hereby deleted in its entirety.

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

9. Changes to Performance Guarantees.

Boeing may adjust, change or modify performance guarantees set forth in Letter Agreement 6-1162-DLJ-860 without Buyer's consent with respect to the Aircraft referred to in Article 2, as specifically permitted by Letter Agreement 6-1162-DLJ-860 and by Article 7.2 as modified by paragraph 7 of this Letter Agreement; [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

P.A. No. 1670 SA-11
K/UAL

United Air Lines, Inc.
6-1162-DLJ-891R5 Page 5

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P.A. No. 1670 SA-11
K/UAL

United Air Lines, Inc.
6-1162-DLJ-891R5 Page 6

[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

11. Non-Disclosure.

The parties understand that certain commercial and financial information contained in this letter agreement is considered as privileged and confidential. The parties agree that they will treat such information as privileged and confidential and will not, without prior written consent of the other party, disclose such information to any other person except as may be required by (i) applicable law or governmental regulations, or (ii) for financing the Aircraft in accordance with the provisions of Article 11.2 of the Purchase Agreement. In connection with any such disclosure or filing of such information pursuant to any applicable law or governmental regulations; Buyer shall request and use its best reasonable efforts to obtain confidential treatment of such information. Boeing agrees to cooperate with Buyer in making and supporting its request for confidential treatment. In fulfilling its obligations under this paragraph 11, the parties shall only be required to use the same degree of care to prevent unauthorized disclosure and use of the information contained in this Letter Agreement as they would use to prevent the disclosure and use of its own commercial and financial information of the same or similar nature and which it considers proprietary or confidential.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters treated above, please indicate your acceptance and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/M.D. Hurt

Its Attorney In Fact

ACCEPTED AND AGREED TO this

Date: April 11, 1997

UNITED AIR LINES, INC.

By /s/ Douglas A. Hacker

Its Senior Vice President and
Chief Financial Officer

P.A. No. 1670
K/UAL

SA-11

AMENDMENT NO. 5

TO THE A320 PURCHASE AGREEMENT
dated as of August 10, 1992

between

AVSA, S.A.R.L.

and

UNITED AIR LINES, INC.

This Amendment No. 5 (hereinafter referred to as the "Amendment") is entered into as of August 22, 1996, by and between AVSA, S.A.R.L., a societe a responsabilite limitee organized and existing under the laws of the Republic of France, having its registered office located at 2, Rond Point Maurice Bellonte, 31700 Blagnac (France) (hereinafter referred to as the "Seller"), and UNITED AIR LINES, INC., a corporation organized and existing under the laws of the State of Delaware, United States of America, having its principal corporate offices located at 1200 East Algonquin Road, Elk Grove Village, Illinois 60007 (hereinafter referred to as the "Buyer").

WITNESSETH:

WHEREAS, the Buyer and the Seller have entered into an A320 Purchase Agreement, dated as of August 10, 1992 (which agreement, as previously amended by and supplemented with all Exhibits, Appendices, Letter Agreements, and Amendments attached thereto is hereinafter called the "Agreement"), which Agreement relates to the sale by the Seller and the purchase by the Buyer of certain firmly ordered Airbus Industrie A320-200 model aircraft (the "Aircraft") and certain Airbus Industrie A320-200 model option aircraft (the "Option Aircraft"). Amendment No. 1 to the Agreement was signed on November 24, 1993. Amendment No. 2 to the Agreement was signed on April 22, 1994. Amendment No. 3 to the Agreement was signed on March 31, 1995. Amendment No. 4 to the Agreement was signed on November 27, 1995.

United-A319-10 August 22, 1996
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WHEREAS, the Buyer and the Seller agree to amend Subclause 9.1 and 21.1 of the Agreement.

WHEREAS, capitalized terms used herein and not otherwise defined in this Amendment will have the meaning assigned to them in the Agreement. The terms "herein," "hereof," and "hereunder" and words of similar import refer to this Amendment.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. DELIVERY

Subclause 9.1 of the Agreement is hereby superseded and amended to read as follows:

QUOTE

Firm Aircraft No. -----	Month of Delivery -----
1	November 1993
2	November 1993
3	December 1993
4	December 1993
5	December 1993
6	January 1994
7	February 1994
8	March 1994
9	March 1994
10	April 1994
11	April 1994
12	June 1994

13	June	1994
14	July	1994
15	September	1994
16	September	1994
17	September	1994
18	October	1994
19	November	1994
20	December	1994
21	December	1994
22	January	1995
23	February	1995
24	February	1995

United-A319-10 August 22, 1996
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Firm Aircraft No. -----	Month of Delivery -----	
25	March	1995
26	March	1995
27	April	1995
28	May	1995
29	June	1995
30	February	1996
31	March	1996
32	May	1996

[*CONFIDENTIAL MATERIAL
OMITTED AND FILED
SEPARATELY WITH THE
SECURITIES AND EXCHANGE
COMMISSION PURSUANT
TO A REQUEST FOR
CONFIDENTIAL TREATMENT]

[*CONFIDENTIAL MATERIAL
OMITTED AND FILED
SEPARATELY WITH THE
SECURITIES AND EXCHANGE
COMMISSION PURSUANT
TO A REQUEST FOR
CONFIDENTIAL TREATMENT]

UNQUOTE

United-A319-10 August 22, 1996
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2. TERMINATION FOR CERTAIN EVENTS

Subclause 21.1(3) of the Agreement is hereby superseded and amended to read as follows:

QUOTE

(3) An action is commenced against the Buyer seeking issuance of a warrant of attachment, execution, distraint or similar process against all or substantially all of its assets and such action is not dismissed within thirty (30) days.

UNQUOTE

3. EFFECT OF AMENDMENT

The Agreement will be deemed amended to the extent herein provided, and, except as specifically amended hereby, will continue in full force and effect in accordance with its original terms.

4. CONFIDENTIALITY

Subject to any legal or governmental requirements of disclosure, the parties (which for this purpose will include their employees, agents and advisors) will maintain strictly confidential the terms and conditions of this Amendment and any information, reports or other data furnished hereunder or in connection with the negotiation of this Amendment without limiting the generality of the foregoing. The Buyer will use its best efforts to limit the disclosure of the contents of this Amendment to the extent legally permissible in any filing required to be made by the Buyer with any

governmental agency and will make such applications as will be necessary to implement the foregoing. The Buyer and the Seller will consult with each other prior to the making of any public disclosure or filing permitted hereunder of this Amendment or the terms and conditions hereof. Each party will inform the other of receipt of any legal demand, whether by subpoena, discovery request or otherwise, for disclosure of this Amendment or its contents. The provisions of this Paragraph 4 will survive any termination of this Amendment.

United-A319-10 August 22, 1996
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If the foregoing correctly sets forth our understanding, please indicate your acceptance by signing in the space provided below.

Agreed and Accepted,

UNITED AIR LINES, INC.

AVSA, S.A.R.L.

By: /s/ Douglas A. Hacker

By: /s/ Christophe Mourey

Douglas A. Hacker

Christophe Mourey

Its: Senior Vice President and
Chief Financial Officer

Its: Chief Executive Officer

Date:

Date: August 12, 1996

United-A320

AM5-3

AMENDMENT NO. 6

TO THE A320 PURCHASE AGREEMENT
dated as of August 10, 1992

between

AVSA, S.A.R.L.

and

UNITED AIR LINES, INC.

This Amendment No. 6 (hereinafter referred to as the "Amendment") is entered into as of January 31, 1997, by and between AVSA, S.A.R.L., a societe a responsabilite limitee organized and existing under the laws of the Republic of France, having its registered office located at 2, Rond Point Maurice Bellonte, 31700 Blagnac (France) (hereinafter referred to as the "Seller"), and UNITED AIR LINES, INC., a corporation organized and existing under the laws of the State of Delaware, United States of America, having its principal corporate offices located at 1200 East Algonquin Road, Elk Grove Village, Illinois 60007 (hereinafter referred to as the "Buyer").

WITNESSETH:

WHEREAS, the Buyer and the Seller have entered into an A320 Purchase Agreement, dated as of August 10, 1992 (which agreement, as previously amended by and supplemented with all Exhibits, Appendices, Letter Agreements, and Amendments attached thereto is hereinafter called the "Agreement"), which Agreement relates to the sale by the Seller and the purchase by the Buyer of certain firmly ordered Airbus Industrie A320-200 model aircraft and certain Airbus Industrie A320-200 model option aircraft. Amendment No. 1 to the Agreement was signed on November 24, 1993. Amendment No. 2 to the Agreement was signed on April 22, 1994. Amendment No. 3 to the Agreement was signed on March 31, 1995. Amendment No. 4 to the Agreement was signed on November 27, 1995. Amendment No. 5 to the Agreement was signed on August 22, 1996.

WHEREAS, the Buyer and the Seller agree to amend Subparagraph 8.1 of Letter Agreement No. 4 to the Agreement.

United - A320
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WHEREAS, capitalized terms used herein and not otherwise defined in this Amendment will have the meaning assigned to them in the Agreement. The terms "herein," "hereof," and "hereunder" and words of similar import refer to this Amendment.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

I. FLIGHT CREW TRAINING CREDITS

Subparagraph 8.1 of Letter Agreement No. 4 to the Agreement is hereby amended by the addition of the following sentence at the end of such subparagraph.

QUOTE

The Seller also agrees to make available to the Buyer, at Buyer's option, [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] for flight crew training on the A319 aircraft to be purchased by the Buyer under the terms of the A319 Purchase Agreement between the Buyer and the Seller and dated as of August 22, 1996.

UNQUOTE

2. EFFECT OF AMENDMENT

The Agreement will be deemed amended to the extent herein

provided, and, except as specifically amended hereby, will continue in full force and effect in accordance with its original terms.

3. CONFIDENTIALITY

Subject to any legal or governmental requirements of disclosure, the parties (which for this purpose will include their employees, agents and advisors) will maintain strictly confidential the terms and conditions of this Amendment and any information, reports or other data furnished hereunder or in connection with the negotiation of this Amendment without limiting the generality of the foregoing. The Buyer will use its reasonable best efforts to limit the disclosure of the contents of this Amendment to the extent legally permissible in any filing required to be made by the Buyer with any governmental agency and will make such applications as will be necessary to implement the foregoing. The Buyer and the Seller will consult with each other prior to the making of any public disclosure or filing permitted hereunder of this Amendment or the terms and conditions hereof. Each party will inform the other of receipt of any legal demand, whether by subpoena, discovery request or otherwise, for disclosure of this Amendment or its contents. The provisions of this Paragraph 3 will survive any termination of this Amendment.

United - A320
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If the foregoing correctly sets forth our understanding, please indicate your acceptance by signing in the space provided below.

Agreed and Accepted,
UNITED AIR LINES, INC.

Agreed and Accepted,
AVSA, S.A.R.L.

By: /s/ Douglas A. Hacker
Its: Senior Vice President and
Chief Financial Officer

By: /s/ Michele Lascaux
Its: Director Contracts

Date: January 31, 1997

Date: January 31, 1997

United - A320
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3

AMENDMENT NO. 7

TO THE A320 PURCHASE AGREEMENT
dated as of August 10, 1992

between

AVSA, S.A.R.L.

and

UNITED AIR LINES, INC.

This Amendment No. 7 (hereinafter referred to as the "Amendment") is entered into as of January __, 1997, by and between AVSA, S.A.R.L., a societe a responsabilite limitee organized and existing under the laws of the Republic of France, having its registered office located at 2, Rond Point Maurice Bellonte, 31700 Blagnac (France) (hereinafter referred to as the "Seller"), and UNITED AIR LINES, INC., a corporation organized and existing under the laws of the State of Delaware, United States of America, having its principal corporate offices located at 1200 East Algonquin Road, Elk Grove Village, Illinois 60007 (hereinafter referred to as the "Buyer").

WITNESSETH:

WHEREAS, the Buyer and the Seller have entered into an A320 Purchase Agreement, dated as of August 10, 1992 (which agreement, as previously amended by and supplemented with all Exhibits, Appendices, Letter Agreements, and Amendments attached thereto is hereinafter called the "Agreement"), which Agreement relates to the sale by the Seller and the purchase by the Buyer of certain firmly ordered Airbus Industrie A320-200 model aircraft and certain Airbus Industrie A320-200 model option aircraft. Amendment No. 1 to the Agreement was signed on November 24, 1993. Amendment No. 2 to the Agreement was signed on April 22, 1994. Amendment No. 3 to the Agreement was signed on March 31, 1995. Amendment No. 4 to the Agreement was signed on November 27, 1995. Amendment No. 5 to the Agreement was signed on August 22, 1996. Amendment No. 6 to the Agreement was signed on January __, 1997.

WHEREAS, the Buyer and the Seller wish to document their agreement that the Buyer has [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] under the Agreement.

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WHEREAS, capitalized terms used herein and not otherwise defined in this Amendment will have the meaning assigned to them in the Agreement. The terms "herein," "hereof," and "hereunder" and words of similar import refer to this Amendment.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. OPTION AIRCRAFT

The parties hereby agree that:

- (i) the Buyer forthwith [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] under the Agreement; and
- (ii) the Seller [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] to the Buyer under the Agreement with specific regard to Option Aircraft.
- (iii) Notwithstanding Paragraph 1 (i) and Paragraph 1 (ii) above, and for the avoidance of doubt, in the

event that [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] under Letter Agreement No. 2 to the A319 Purchase Agreement with the Seller dated, August 22, 1996 (as it may be amended and supplemented from time to time, the "A319 Agreement"), then the parties acknowledge and agree that [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

2. [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

The Buyer hereby acknowledges for the benefit of the Seller that the Seller shall have, as of the date hereof, [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] to the Buyer under the Agreement.

3. EFFECT OF AMENDMENT

The Agreement will be deemed amended to the extent herein provided, and, except as specifically amended hereby, will continue in full force and effect in accordance with its original terms.

United - A320
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4. CONFIDENTIALITY

Subject to any legal or governmental requirements of disclosure, the parties (which for this purpose will include their employees, agents and advisors) will maintain strictly confidential the terms and conditions of this Amendment and any information, reports or other data furnished hereunder or in connection with the negotiation of this Amendment without limiting the generality of the foregoing. The Buyer will use its reasonable best efforts to limit the disclosure of the contents of this Amendment to the extent legally permissible in any filing required to be made by the Buyer with any governmental agency and will make such applications as will be necessary to implement the foregoing. The Buyer and the Seller will consult with each other prior to the making of any public disclosure or filing permitted hereunder of this Amendment or the terms and conditions hereof. Each party will inform the other of receipt of any legal demand, whether by subpoena, discovery request or otherwise, for disclosure of this Amendment or its contents. The provisions of this Paragraph 4 will survive any termination of this Amendment.

United - A320
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If the foregoing correctly sets forth our understanding, please indicate your acceptance by signing in the space provided below.

Agreed and Accepted,	Agreed and Accepted,
UNITED AIR LINES, INC.	AVSA, S.A.R.L.
By: /s/ Douglas A. Hacker	By: /s/ Michele Lascaux
Its: Senior Vice President and Chief Financial Officer	Its: Director Contracts
Date: January 31, 1997	Date: January 31, 1997

United - A320
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UAL Corporation and Subsidiary Companies
 Calculation of Fully Diluted Net Earnings Per Share
 (In Millions, Except Per Share)

	Three Months Ended	
	March 31	
	1997	1996(1)
	----	-----
Earnings:		
Earnings before preferred stock transactions and extraordinary item	\$ 105	\$ 6
Preferred stock dividends	(20)	(16)
	----	----
Earnings (loss) before preferred stock transactions and extraordinary item for fully diluted calculation	85	(10)
Preferred stock transactions	-	(6)
Extraordinary loss on early extinguishment of debt	-	(29)
	----	----
Net earnings (loss) for fully diluted calculation	\$ 85	\$ (45)
	====	====
Shares:		
Average number of shares of common stock outstanding during the period	58.8	50.4
Average number of shares of ESOP preferred stock outstanding during the period	31.6	19.2
Additional shares assumed issued at the beginning of the period (or at the date of issuance) for exercises of dilutive stock options and stock award plans (after deducting shares assumed purchased under the treasury stock method)	2.7	2.8
	----	----
Average number of shares for fully diluted calculation	93.1	72.4
	====	====
Fully diluted per share amounts:		
Earnings (loss) before extraordinary item	\$ 0.92	\$(0.22)
Extraordinary loss on early extinguishment of debt	-	(0.41)
	-----	-----
Net earnings (loss)	\$ 0.92	\$(0.63)
	=====	=====

 (1) This calculation is submitted in accordance with Regulation S-K item 601(b)(11), although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an antidilutive result.

UAL Corporation and Subsidiary Companies

Computation of Ratio of Earnings to Fixed Charges

	Three Months Ended March 31	
	1997	1996
	(In Millions)	

Earnings:		
Earnings before income taxes and extraordinary item	\$ 171	\$ 10
Fixed charges, from below	232	272
Undistributed earnings of affiliates	(25)	(20)
Interest capitalized	(24)	(15)
	-----	-----
Earnings	\$ 354	\$ 247
	=====	=====
Fixed charges:		
Interest expense	\$ 69	\$ 85
Portion of rental expense representative of the interest factor	163	187
	-----	-----
Fixed charges	\$ 232	\$ 272
	=====	=====
Ratio of earnings to fixed charges	1.53	(a)
	=====	=====

(a) Earnings were inadequate to cover fixed charges by \$25 million in the first quarter of 1996.

UAL Corporation and Subsidiary Companies

Computation of Ratio of Earnings to Fixed Charges
and Preferred Stock Dividend Requirements

	Three Months Ended March 31	
	1997	1996
	(In Millions)	

Earnings:		
Earnings before income taxes and extraordinary item	\$ 171	\$ 10
Fixed charges, from below	263	299
Undistributed earnings of affiliates	(25)	(20)
Interest capitalized	(24)	(15)
	-----	-----
Earnings	\$ 385	\$ 274
	=====	=====
Fixed charges:		
Interest expense	\$ 69	\$ 85
Preferred stock dividend requirements	31	27
Portion of rental expense representative of the interest factor	163	187
	-----	-----
Fixed charges	\$ 263	\$ 299
	=====	=====
Ratio of earnings to fixed charges	1.46	(a)
	=====	=====

(a) Earnings were inadequate to cover fixed charges by \$25 million in the first quarter of 1996.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM UAL CORPORATION'S STATEMENT OF CONSOLIDATED OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS OF MARCH 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

	DEC-31-1997	
	JAN-01-1997	
	MAR-31-1997	
	3-MOS	455
		502
		1,119
		0
		326
	2,994	14,706
		6,079
		13,350
5,310		3,095
102		0
		1
		1,236
13,350		0
	4,121	0
		3,927
		0
		0
	69	171
		65
105		0
		0
		0
		105
		0.92
		0