

SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of  
1934 (Amendment No. )

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Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] Confidential, for Use of the Commission Only  
(as permitted by Rule 14a-6(e)(2))

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[ ] Definitive Additional Materials

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US Airways Group, Inc.

(Name of Registrant as Specified In Its Charter)

UAL Corporation

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[x] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and  
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1) Title of each class of securities to which transaction applies:

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3) Per unit price or other underlying value of transaction computed  
pursuant to Exchange Act Rule 0-11 (set forth the amount on which the  
filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party

4) Date Filed:



"The Premier Global Carrier"

Unparalleled Access

May 24, 2000

James E. Goodwin  
Chairman and Chief Executive Officer  
UAL Corporation

## Safe Harbor

This presentation contains certain "forward-looking" statements within the meaning of the Private Securities Reform Act of 1995. These statements are based on management's current expectations and are naturally subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein. The forward-looking statements contained herein include statements about future financial and operating results and benefits of the pending merger between United and US Airways. Factors that could cause actual results to differ materially from those described herein include: industry capacity decisions; the airline pricing environment; competitors' route decisions; the inability to obtain regulatory approvals; actions of the U.S., foreign and local governments; domestic and international travel patterns; the inability to successfully integrate the businesses of United and US Airways; costs related to the merger; the inability to achieve cost-cutting synergies resulting from the merger; labor integration issues; the economic environment of the airline industry and the general economic environment. More detailed information about these factors is set forth in the reports filed by United and US Airways with the Securities and Exchange Commission. Neither United nor US Airways is under any obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

## Outline

- o Transaction Overview and Strategic Rationale
- o Consumer Benefits
- o DC Air
- o Labor and Fleet Integration
- o Roadmap to Completion
- o Economic and Financial Considerations
- o US Airways Profile

## Transaction Overview

- o Total offer value \$11.6 billion
  - Total offer price, \$4.3 billion
  - Plus the assumption of \$1.5 billion in net debt
  - and \$5.8 billion in aircraft leases.
- o \$60 per share offer in cash for all US Airways shares
  - A premium of 130% over May 23 closing price
- o Expected to close in 2001, accretive in year 2
- o Financing: Cash on hand, existing credit facilities and other borrowings
- o Break-up fee: \$160 million
- o Spin-off certain Washington Reagan assets to DC Air to enhance competition

## Strategic Rationale

- o East Coast has the largest population in the US
  - Northeast alone is a \$14 billion travel market
- o United has only a 14% market share in the Northeast
- o United has a significant opportunity to create a nationwide network o  
There were two possible solutions
  - Develop own presence -> uneconomical
  - Acquire existing carrier -> US Airways is the obvious choice



US Airways Completes United's Domestic Network

[GRAPHICS OMITTED]

COMBINED OPERATIONS

[GRAPHICS OMITTED]

Combined Operations - Selected Statistics

	United	US Airways	Total*
Fleet (aircraft)	600	403	1,003
Hubs	5	3	8
Employees	97,000	46,000	143,000
Passengers (MM)	81.7	55.0	136.7
Flights	2,356	2,156	4,512
Destinations	133	103	170

## Consumer Benefits - Better Service For Travelers

- o Benefits for all customers
  - Seamless access to the premier global network
  - Enhanced convenience: one ticket, one baggage check-in, one club, one frequent flyer program
- o Benefits to US Airways' customers
  - United's East-West route network complements US Airways' North-South network
  - New reach to Europe, South America, Asia and Australia
  - Access to Star Alliance
- o Benefits to United's customers
  - First true nationwide network
  - Increased East Coast access

## Creation of DC Air - New Competitive Presence

- o DC Air
  - Based at Washington-Reagan Airport
  - Composed of majority of US Airways' routes from Washington-Reagan
  - Will initially wet-lease aircraft and purchase other necessary operating assets from United
  - Will ensure greater competition and consumer benefits
- o Purchased and managed by Robert Johnson, Chairman & CEO BET Industries, a media-entertainment conglomerate
- o United to retain Shuttle
- o United retains assets to fly non-stop between DCA and PIT, CLT, PHL hubs

DC AIR

- o Over \$500 Million Annual Revenue
- o Over 100 Round Trip Flights per Day
- o Service to 44 airports
- o 3 Million Annual Passenger
- o 500 mile stage length

## Labor Integration

- o IAM
  - Representation determined by NMB process
  - Union determines seniority list
- o AFA
  - Determined by AFA merger policy
- o ALPA
  - Determined by ALPA merger policy

Fleets Are Compatible

United Fleet

US Airways Fleet

Type	Current
-----	
A320 family	87
B727	75
B737	182
B757	98
B767	53
B747	51
B777	42
DC10	11
-----	
	600

Type	Current
-----	
A320 family	49
B727	4
B737	198
B757	34
B767	12
F-100	40
MD-80/DC9	64
A330	2
-----	
	403



## Roadmap to Completion

- o US Airways stockholder approval
- o Regulatory approvals
- o Expected to close in 2001

Economic and Financial Considerations

Douglas A. Hacker  
Executive Vice President Finance and Planning  
and Chief Financial Officer

UAL Corporation

## Transaction Highlights

- o Total transaction value \$11.6 billion
  - Total offer price of \$4.3 billion
  - plus the assumption of \$1.5 billion in net debt
  - and \$5.8 billion in aircraft operating leases
- o US Airways standalone transaction multiples 2001
  - Transaction Value/EBITDAR 6 x
  - Transaction Value/Revenues 1x
- o Accretive in year 2 (reported and cash EPS)
- o Financing: Cash on hand, existing and new credit facilities, and other borrowings

## Shareholder Value Creation

- o This combination creates value for shareholders well in excess of the purchase price

[GRAPHICS OMITTED]

Shareholder Value

[GRAPHICS OMITTED]

Earnings Accretion

[GRAPHICS OMITTED]

EPS Accretion / (Dilution) to United

[GRAPHICS OMITTED]

## Revenue Benefits

- o Increased Connectivity
  - Customers offered more options in commonly served cities
  - Over 560 new online city pairs created for United and US Airways passengers
  - Improved business traffic mix
- o 3434
- o Increased City Presence
  - As a carrier's service share in a city increases, that carrier achieves greater revenue efficiency
- o Improved Overall Asset Allocation
  - Route reallocation



## Revenue Benefits

[GRAPHICS OMITTED]

Increased Connections

New Online Connections Achieve a Higher CRS Screen Display

Interline: This connection appears on page 8 of the CRS display

US Airways 121	CLT-DEN	800A	939A
United 5594	COS	1025A	1102P

Online: With the United code it appears on page 1 of the CRS display

United 121	CLT-DEN	800A	939A
United 5594	COS	1025A	1102A

## Increased City Presence

Increasing presence in a city drives revenue benefit

- o As an airline gets larger in a city, it offers:
  - Increased frequencies on key routes
  - A wider selection of destinations o This leads to increased revenue due to:
- o This leads to increased revenue due to
  - Corporate volume agreements
  - A more attractive frequent-flyer program
  - Becoming the `Natural Choice`

## US Airways Enhances United's Eastern Presence

### City Revenue Rankings East Of Ohio

	United	US Airways	Combined
New York	4	5	3
Washington	1	2	1
Atlanta	5	7	4
Boston	4	3	1
Orlando	5	2	2
Philadelphia	3	1	1
Miami	2	4	2
Tampa	7	2	2
Ft. Lauderdale	8	2	2
Pittsburgh	5	1	1

## Improved Asset Allocation

Some aircraft redeployed to more strategic/profitable markets:

- East Coast - International
- Caribbean
- Hub markets

Opportunity to cancel unprofitable flights:

Cost savings benefit of early retirement of older aircraft

## Cost Synergies

- o Station, line maintenance and overhead consolidation
  - Labor force efficiencies accomplished through growth of the business and normal attrition
- o More efficient aircraft utilization and facility consolidation
- o Other ongoing benefits
  - Advertising consolidation
  - Liability insurance savings

## Proposed Financing

- o Cash required at closing approximately \$4.4 billion
- o Sources
  - Cash on hand
  - Existing and new credit facilities
  - Secured and unsecured borrowings
- o United will retain significant financial flexibility
- o Revenue benefits will quickly begin to restore balance sheet post completion

Liquidity and Credit Ratios

	2000 UAL Standalone -----	Pro Forma B/(W) 2001      2002 -----	
Adj Total Debt/EBITDAR	3.7X	(1.3)	(0.1)
Adj Total Debt/Total Cap	69%	(11)	(8)
EBITDAR/Adj Total Interest Exp	2.2X	(0.5)	(0.1)



## Summary

- o Leading airline with first true nationwide network
  - Significant consumer benefits
- o DC Air divestiture will enhance competition
- o Combination creates value well in excess of purchase price
  - Driven by large revenue benefits

"The Premier Global Carrier"

Unparalleled Access

Rakesh Gangwal

President and Chief Executive Officer

US Airways Group, Inc.  
and US Airways, Inc.

US Airways Is the Sixth-Largest  
U.S. Domestic Carrier In Terms of ASMs  
(1999 Available Seat Miles in Billions)

[GRAPHICS OMITTED]

US Airways Is A Merger Of Seven Small Airlines

[GRAPHICS OMITTED]

We Embarked On A Five Point Business Plan

[GRAPHICS OMITTED]

We Changed Our Name And Livery

[GRAPHICS OMITTED]

We Purchased The US Airways Shuttle

[GRAPHICS OMITTED]



We Introduced Regional Jet Service  
In January, 1998

[GRAPHICS OMITTED]

In June 1998, We Launched Our  
Response To Low-Cost Carriers

[GRAPHICS OMITTED]

In November 1998, We Introduced The  
A320 Family Into Our Operations

[GRAPHICS OMITTED]

In May 2000, We Introduced The  
A330 Widebody Into Our Operations

[GRAPHICS OMITTED]

## The Airbus Contracts Are "One Of A Kind"

- o Pricing
- o Financing
- o Terms and Conditions

We Expanded Transatlantic Operations Significantly

[GRAPHICS OMITTED]

Most Importantly, We Have Made Spectacular Strides In Providing Superior Customer Service

[GRAPHICS OMITTED]

[GRAPHICS OMITTED]

US Airways Was Rated # 1 In The 1999 Annual Airline Quality Rating Survey



We Are Increasing Our Online Sales and Reducing Commission Expense (Percent of Revenue)

[GRAPHICS OMITTED]

Our E-Ticketing Penetration Is Among  
The Highest In The Industry

[GRAPHICS OMITTED]

All Major Labor Negotiations Are Behind Us...

o	Fleet Service Employees	Closed March 1999
o	Shuttle Pilots Interim Agmt.	Closed March 1999
o	Bermuda Agents	Closed March 1999
o	Flight Crew Training Instructors	Closed April 1999
o	Pilots - Check Airmen	Closed May 1999
o	Shuttle Mechanics Integration	Closed May 1999
o	Dispatchers	Closed July 1999
o	Mechanics and Related	Closed October 1999
o	Passenger Service Employees	Closed November 1999
o	Shuttle Pilots - Integration	Closed March 2000
o	Flight Attendants	Closed May 2000
o	Simulator Engineers	Negotiations Ongoing

And We Began Growing US Airways

[GRAPHICS OMITTED]

Domestic Capacity And Traffic Trends:  
May Through August (Year-over-Year Change)

[GRAPHICS OMITTED]

## The Intrinsic Value Of US Airways

U.S. Domestic 48 State Air Travel Revenues  
(Originating Passenger Revenues For 1999)

[GRAPHICS OMITTED]

US Airways Is The Leading Carrier For  
Intra-East Coast Passengers

[GRAPHICS OMITTED]



Long Haul Traffic From US Airways Core Region Is  
Fragmented Among Many Carriers

[GRAPHICS OMITTED]

Merger Will "Plug In" US Airways' Intra-East  
Coast Network To United's Global Network

[GRAPHICS OMITTED]

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Coast Network To United's Global Network

[GRAPHICS OMITTED]

Merger Will "Plug In" US Airways' Intra-East  
Coast Network To United's Global Network

[GRAPHICS OMITTED]

Merger Will "Plug In" US Airways' Intra-East Coast  
Network To United's Global Network

[GRAPHICS OMITTED]

Stephen M. Wolf

Chairman

US Airways Group, Inc.  
and US Airways, Inc.

## Proxy Legend

In connection with merger, US Airways will be filing a proxy statement with the Securities and Exchange Commission. STOCKHOLDERS OF US AIRWAYS ARE URGED TO READ THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain a free copy of the proxy statement when it becomes available and other documents filed by United and US Airways with the Securities and Exchange Commission in connection with the merger at the Securities and Exchange Commission's web site at [www.sec.gov](http://www.sec.gov). Stockholders of US Airways may also obtain for free the proxy statement and other documents filed by US Airways in connection with the merger by directing a request to: US Airways, 2345 Crystal Drive, Arlington, Virginia 22227, Attention: Kimberly Holland, Investor Relations, Telephone: (703) 872-5009, email: [kimberly\\_holland@usairways.com](mailto:kimberly_holland@usairways.com). Stockholders of US Airways may also obtain for free documents filed by United in connection with the merger by directing a request to: United Airlines, 1200 East Algonquin Road, Elk Grove Village, Illinois 60007, Attention: Patty Chaplinski, Investor Relations, Telephone: (847) 700-7501, email: [patty.chaplinski@ual.com](mailto:patty.chaplinski@ual.com).

US Airways and its directors and executive officers may be deemed to be participants in the solicitation of proxies from US Airways stockholders in favor of the merger. These directors and executive officers include the following: N. Bruce Ashby, Mathias J. DeVito, Rakesh Gangwal, Peter M. George, Robert L. Johnson, Robert LeBuhn, John G. Medlin, Jr., Hanne M. Merriman, Thomas A. Mutryn, Thomas H. O'Brien, Larry M. Nagin, Hilda Ochoa-Brillembourg, Richard B. Priory, Raymond W. Smith, Stephen M. Wolf. Collectively, as of January 31, 2000, the directors and executive officers of US Airways may be deemed to beneficially own approximately 6.6% of the outstanding shares of US Airways common stock. Stockholders of US Airways may obtain additional information regarding the interests of participants by reading the proxy statement when it becomes available.

United and certain of its directors and executive officers may also be deemed to be participants in the solicitation of proxies from US Airways stockholders in favor of the merger. These directors and executive officers include: Christopher Bowers, Frederic F. Brace, Rono J. Dutta, James E. Goodwin, Douglas A. Hacker, Francesca M. Maher, Peter McDonald, Andrew Studdert and Daniel Walsh. As of the date of this communication, United, Mr. Brace, Mr. Dutta, Mr. Goodwin, Mr. Hacker and Ms. Maher do not beneficially own any shares of US Airways common stock.

Private Securities Reform Act of 1995. These statements are based on management's current expectations and are naturally subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained herein. The forward-looking statements contained herein include statements about future financial and operating results and benefits of the pending merger between United and US Airways. Factors that could cause actual results to differ materially from those described herein include: industry capacity decisions; the airline pricing environment; competitors' route decisions; the inability to obtain regulatory approvals; actions of the U.S., foreign and local governments; domestic and international travel patterns; the inability to successfully integrate the businesses of United and US Airways; costs related to the merger; the inability to achieve cost-cutting synergies resulting from the merger; labor integration issues; the economic environment of the airline industry and the general economic environment. More detailed information about these factors is set forth in the reports filed by United and US Airways with the Securities and Exchange Commission. Neither United nor US Airways is under any obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

