

FORM 10-Q/A
Amendment No. 1

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 October 31, 1997
-----	-----
Common Stock (\$0.01 par value)	58,782,762

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.

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
Chief Financial Officer
(principal financial and
accounting officer)

Dated: November 19, 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.

- - - - -
* As Previously Filed

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.

[*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]

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.

3.1.2 Basic Price for Aircraft 1997 to 1998.

The basic price of each Aircraft scheduled for delivery between January 1, 1997 and December 31, 1998 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.

3.1.3 Basic Price for Aircraft After 1998.

The basic price of each Aircraft scheduled for delivery after December 31, 1998 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.

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

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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").

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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

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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 EX-
CHANGE 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:

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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

Attachment 3 to
Supplemental Agreement No. 10 to
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to the extent they may lawfully do so, to equitably adjust the Purchase Price of any affected Aircraft to reflect an allowance for increases or decreases in labor compensation and material costs occurring since February, 1995, which is consistent with the applicable provisions of paragraph 1 of this Exhibit D.

3. For the calculations herein, 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.

Note: Any rounding of a number, as required under this Exhibit D-1 with respect to escalation of the airframe 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.

P.A. No. 1670 D-1-4
PA/NEXD-1

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

ENGINE PRICE ADJUSTMENT - PRATT & WHITNEY

(1995 BASE PRICE)

(a) The Aircraft Basic Price of each Aircraft scheduled for delivery [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] as set forth in Article 3.1.3 of this Agreement, includes an aggregate price for PW4056 engines and all accessories, equipment and parts therefor provided by the engine manufacturer (collectively in this Exhibit D-1 called "Engines") of [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]. The adjustment in Engine price applicable to each such Aircraft ("Engine Price Adjustment" herein) will be determined at the time of Aircraft delivery in accordance with the following formula:

$$Pa = (P) (AA + BB + CC) - P$$

(b) The following definitions will apply herein:

Pa = Engine Price Adjustment

P = Aggregate Engine Base Price as set forth in paragraph (a) above.

AA = .60 x L

\$17.80

BB = .30 x M

130.6

CC = .10 x E

76.6

In determining the value of AA, BB and CC, the ratio of L divided by \$17.80, M divided by 130.6 and E divided by 76.6 will be expressed as a decimal and rounded to the nearest ten-thousandth but the decimal value resulting from multiplying such ratios by the respective constants (.60, .30 and .10) will not be rounded. 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,

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PA/NEXD-1

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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

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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;

WHEREAS, Buyer wishes to purchase three (3) 747-422 [*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	

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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
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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 MATERIAL OMITTED AND
October 1992	
December 1992	
April 1993	FILED SEPARATELY WITH THE
August 1993	
November 1993	
June 1994*	SECURITIES AND EXCHANGE
July 1994*	
May 1996*	COMMISSION PURSUANT TO A REQUEST FOR
June 1996*	
June 1996	
August 1996	
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
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]

[*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]

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United Air Lines, Inc.
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[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

In consideration of Buyer's purchase of thirty-four (34) Model 777 aircraft under Purchase Agreement 1663, [*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]

In consideration of Buyer's purchase of thirty-four (34) Model 777 under Purchase Agreement 1663 [*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. 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.

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K/UAL

United Air Lines, Inc.
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[*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] 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
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United Air Lines, Inc.
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United Air Lines, Inc.
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[*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