

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2004

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

(State or other jurisdiction of
incorporation or organization)

36-2675207

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

Location: 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 No

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

<u>Class</u>	<u>Outstanding at</u>
Common Stock (\$0.01 par value)	<u>July 27, 2004</u> 116,220,959

UAL Corporation and Subsidiary Companies Report on Form 10-Q
For the Quarter Ended June 30, 2004

Index

PART I. FINANCIAL INFORMATION

Page No.

Item 1. Financial Statements

Condensed Statements of Consolidated Financial Position (Unaudited) - as of June 30, 2004 and December 31, 2003 3

Statements of Consolidated Operations (Unaudited) - - for the three months and six months ended June 30, 2004 and 2003 5

Condensed Statements of Consolidated Cash Flows (Unaudited) - for the six months ended June 30, 2004 and 2003 7

Notes to Consolidated Financial Statements (Unaudited) 8

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 21

Item 3. Quantitative and Qualitative Disclosures About Market Risk 31

Item 4. Controls and Procedures 32

PART II. OTHER INFORMATION

Item 1. Legal Proceedings 33

Item 6. Exhibits and Reports on Form 8-K 33

Signatures 35

Exhibit Index 36

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

UAL Corporation and Subsidiary Companies
(Debtor and Debtor-in-Possession)
Condensed Statements of Consolidated Financial Position (Unaudited)
(In Millions)

<u>Assets</u>	June 30 <u>2004</u>	December 31 <u>2003</u>
Current assets:		
Cash and cash equivalents	\$ 1,377	\$ 1,640

Restricted cash	838	679
Short-term investments	11	78
Receivables, net	1,171	929
Inventories, net	222	264
Deferred income taxes	39	22
Prepaid expenses and other	<u>431</u>	<u>412</u>
	<u>4,089</u>	<u>4,024</u>
Operating property and equipment:		
Owned	17,906	18,005
Accumulated depreciation and amortization	<u>(5,398)</u>	<u>(5,132)</u>
	<u>12,508</u>	<u>12,873</u>
Capital leases	2,720	2,720
Accumulated amortization	<u>(605)</u>	<u>(555)</u>
	<u>2,115</u>	<u>2,165</u>
	<u>14,623</u>	<u>15,038</u>
Other assets:		
Investments	50	53
Intangibles, net	402	406
Pension assets	904	904
Aircraft lease deposits	481	679
Prepaid rent	160	158
Other, net	<u>856</u>	<u>717</u>
	<u>2,853</u>	<u>2,917</u>
	<u>\$21,565</u>	<u>\$21,979</u>

See accompanying Notes to Consolidated Financial Statements.

UAL Corporation and Subsidiary Companies
(Debtor and Debtor-in-Possession)
Condensed Statements of Consolidated Financial Position (Unaudited)
(In Millions)

	June 30	December 31
<u>Liabilities and Stockholders' Equity</u>	<u>2004</u>	<u>2003</u>
Current liabilities:		
Current portions of long-term debt and capital lease obligations	\$ 460	\$ 689
Advance ticket sales	1,851	1,330
Accrued salaries, wages and benefits	1,928	2,299
Accounts payable	572	501
Other	<u>1,429</u>	<u>1,293</u>
	<u>6,240</u>	<u>6,112</u>
Long-term debt	<u>172</u>	=
Long-term obligations under capital leases	<u>154</u>	<u>163</u>

Other liabilities and deferred credits:		
Deferred pension liability	4,988	4,747
Postretirement benefit liability	1,999	1,924
Deferred income taxes	302	285
Other	<u>681</u>	<u>700</u>
	<u>7,970</u>	<u>7,656</u>
Liabilities subject to compromise	<u>13,653</u>	<u>13,964</u>
Commitments and contingent liabilities (See note)		
Stockholders' equity:		
Preferred stock	-	-
Common stock at par	1	1
Additional capital invested	5,064	5,066
Retained deficit	(6,931)	(6,225)
Accumulated other comprehensive loss	(3,290)	(3,288)
Treasury stock	(1,468)	(1,469)
Other	=	(1)
	<u>(6,624)</u>	<u>(5,916)</u>
	<u>\$21,565</u>	<u>\$21,979</u>

See accompanying Notes to Consolidated Financial Statements.

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

	Three Months Ended	
	<u>June 30</u>	
	<u>2004</u>	<u>2003</u>
Operating revenues:		
Passenger - United Airlines	\$ 3,242	\$ 2,625
Passenger - Regional Affiliates	358	-
Cargo	167	154
Other	<u>274</u>	<u>330</u>
	<u>4,041</u>	<u>3,109</u>
Operating expenses:		
Salaries and related costs	1,208	1,399
Aircraft fuel	693	452
Purchased services	370	308
Aircraft rent	134	137
Landing fees and other rent	242	236
Depreciation and amortization	218	275
Regional affiliates	456	-
Cost of sales	145	252
Aircraft maintenance	193	115
Commissions	81	64
Other	<u>294</u>	<u>302</u>
	<u>4,034</u>	<u>3,540</u>

Earnings (loss) from operations	7	(431)
Other income (expense):		
Interest expense	(117)	(144)
Interest capitalized	1	1
Interest income	5	45
Equity in losses of affiliates	1	(5)
Government assistance	-	300
Reorganization items, net	(144)	(397)
Miscellaneous, net	=	<u>8</u>
	(254)	(192)
Loss before income taxes	(247)	(623)
Credit for income taxes	=	=
Net loss	<u>\$(247)</u>	<u>\$(623)</u>
Net loss per share, basic	<u>\$(2.25)</u>	<u>\$(6.26)</u>

See accompanying Notes to Consolidated Financial Statements.

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

	Six Months Ended	
	<u>June 30</u>	
	<u>2004</u>	<u>2003</u>
Operating revenues:		
Passenger - United Airlines	\$ 6,175	\$ 5,173
Passenger - Regional Affiliates	651	-
Cargo	315	318
Other	<u>632</u>	<u>802</u>
	<u>7,773</u>	<u>6,293</u>
Operating expenses:		
Salaries and related costs	2,457	2,935
Aircraft fuel	1,296	1,023
Purchased services	722	642
Aircraft rent	271	337
Landing fees and other rent	473	476
Depreciation and amortization	448	509
Regional affiliates	830	-
Cost of sales	341	625
Aircraft maintenance	378	232
Commissions	162	129
Other	<u>599</u>	<u>629</u>
	<u>7,977</u>	<u>7,537</u>
Loss from operations	<u>(204)</u>	<u>(1,244)</u>
Other income (expense):		

Interest expense	(237)	(286)
Interest capitalized	1	2
Interest income	15	50
Equity in losses of affiliates	(2)	(5)
Non-operating special charges	-	(137)
Government assistance	-	300
Reorganization items, net	(274)	(646)
Miscellaneous, net	(5)	<u>1</u>
	<u>(502)</u>	<u>(721)</u>
Loss before income taxes	(706)	(1,965)
Credit for income taxes	=	=
Net loss	<u>\$(706)</u>	<u>\$(1,965)</u>
Net loss per share, basic	<u>\$(6.42)</u>	<u>\$(20.22)</u>

See accompanying Notes to Consolidated Financial Statements.

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

	Six Months Ended June 30	
	<u>2004</u>	<u>2003</u>
Cash and cash equivalents at beginning of period, excluding restricted cash	<u>\$1,640</u>	<u>\$ 886</u>
Cash flows from operating activities	<u>438</u>	<u>650</u>
Cash flows from reorganization activities:		
Reorganization items, net	(274)	(646)
Transfer of Company lease certificates	-	215
Increase in liabilities	196	280
Loss on distribution of property	=	<u>68</u>
	<u>(78)</u>	<u>(83)</u>
Cash flows from investing activities:		
Additions to property and equipment	(150)	(56)
Proceeds on disposition of property and equipment	13	67
Proceeds on sale of investments	-	15
Increase in restricted cash	(159)	(106)
Decrease in short-term investments	67	93
Increase in deferred financing costs	(10)	(58)
Other, net	<u>(39)</u>	<u>(3)</u>
	<u>(278)</u>	<u>(48)</u>
Cash flows from financing activities:		
Proceeds from DIP Financing	10	123
Repayment of DIP Financing	(241)	(59)
Repayment of long-term debt	(89)	(153)

Principal payments under capital lease obligations	(185)	(72)
Aircraft lease deposits, net	160	-
Other, net	=	<u>28</u>
	(345)	(133)
Increase (decrease) in cash and cash equivalents	(263)	<u>386</u>
Cash and cash equivalents at end of period, excluding restricted cash	\$ <u>1,377</u>	\$ <u>1,272</u>
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 296	\$ 226
Non-cash transactions:		
Increase (decrease) in long-term debt incurred in connection with additions to other assets	\$ 172	-
Net unrealized gain (loss) on investments	\$ (1)	\$ 4
Increase (decrease) in pension assets	\$ -	\$ (200)

See accompanying Notes to Consolidated Financial Statements.

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

The Company

UAL Corporation is a holding company whose principal subsidiary is United Air Lines, Inc. ("United"). We sometimes collectively refer to UAL Corporation, together with its consolidated subsidiaries, as "we," "our," "us," "UAL" or the "Company."

Interim Financial Statements

We prepared the consolidated financial statements shown here as required by the Securities and Exchange Commission ("SEC"). Some information and footnote disclosures normally included in financial statements that meet generally accepted accounting principles have been condensed or omitted as permitted by the SEC. We believe that the disclosures presented here are not misleading. The financial statements include all adjustments (which include only normal recurring adjustments, reorganization items and other special charges described below) that are considered necessary for a fair presentation of our financial position and operating results. Certain prior year financial statement items have been reclassified to conform to the current year's presentation. These financial statements should be read together with the information included in our most recent Annual Report on Form 10-K for the year 2003.

Voluntary Reorganization Under Chapter 11

Bankruptcy Proceedings. On December 9, 2002 (the "Petition Date"), UAL, United and 26 direct and indirect wholly owned subsidiaries filed voluntary petitions to reorganize their businesses under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the "Bankruptcy Court"). The Bankruptcy Court is jointly administering these cases as "In re: UAL Corporation, et al., Case No. 02-48191." The consolidated financial statements shown here include certain subsidiaries that did not file to reorganize under Chapter 11. The assets and liabilities of these subsidiaries are not considered material to the Consolidated Financial Statements.

As required by the Bankruptcy Code, the United States Trustee for the Northern District of Illinois has appointed an official committee of unsecured creditors (the "Creditors' Committee"). The Creditors' Committee and its legal representatives have a right to be heard on all matters that come before the Bankruptcy Court concerning our reorganization. There can be no assurance that the Creditors' Committee will support our positions or our plan of reorganization, and any disagreements between the Creditors' Committee and us could protract the Chapter 11 process, hinder our ability to operate during the Chapter 11 process, and delay our emergence from Chapter 11.

With the exception of our non-filing subsidiaries, we continue to operate our businesses as "debtors-in-possession" under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and applicable court orders. In general, as debtors-in-possession, we are authorized under Chapter 11 to

continue to operate as an ongoing business, but may not engage in transactions outside the ordinary course of business without the prior approval of the Bankruptcy Court.

All vendors are being paid for all goods furnished and services provided after the Petition Date in the ordinary course of business. However, under Section 362 of the Bankruptcy Code, actions to collect most of our pre-petition liabilities are automatically stayed (except for liabilities relating to certain qualifying aircraft, aircraft engines and other aircraft-related equipment that are leased or subject to a security interest or conditional sale contract). Under Section 1110 of the Bankruptcy Code, actions to collect such aircraft-related pre-petition liabilities are automatically stayed for 60 days only (our automatic stay ended on February 7, 2003), except under two conditions: (a) the debtor may extend the 60-day period by agreement with the relevant financier and with court approval; or (b) the debtor may agree to perform all of the obligations under the applicable financing and cure any defaults as required under the Bankruptcy Code. If neither of these conditions is met, the financier may demand the return of the aircraft or take possession of the property and enforce any of its contractual rights or remedies to sell, lease or otherwise retain or dispose of such equipment.

We have negotiated with lessors and lenders to restructure existing financings to reduce aircraft ownership costs to better reflect current market rates, and we have reached agreements in principle with respect to a substantial majority of our financed aircraft. However, in light of the final decision received from the Air Transportation Stabilization Board ("ATSB") regarding our loan application and the need for further cost reductions, we are re-examining these agreements and believe it likely that we will need to renegotiate one or more of them. Although we expect to be successful with respect to any such efforts, to the extent we are unable to restructure any financings we believe are unaffordable under the modified business plan, we may face the possibility that one or more financiers may seek to repossess their aircraft. Likewise, there is no assurance that those agreements in principle which are not restructured will be successfully converted to final contracts. To the extent we are unable to finalize those agreements there can be no assurance that we will be able to reach new agreements at comparable economics or that financiers will not repossess aircraft. The repossession of a significant number of aircraft could result in a material adverse affect on our financial and operational performance.

We have also rejected or abandoned certain surplus aircraft to adjust our fleet size and composition to more closely match market demand. In addition, as part of on-going negotiations with financiers, we have converted many long-term financing arrangements into short-term operating leases and, in several instances, re-acquired previously rejected aircraft as circumstances warranted.

Under Section 365 of the Bankruptcy Code, we may assume, assume and assign, or reject certain executory contracts and unexpired leases, including leases of real property, subject to the approval of the Bankruptcy Court and certain other conditions. Our Section 365 rights to assume, assume and assign, or reject unexpired leases of non-residential real estate expire on the earlier of the date of termination of our exclusive period to file a plan of reorganization (currently, August 30, 2004) or the date of the conclusion of a disclosure statement hearing in connection with a proposed plan of reorganization.

In general, if we reject an executory contract, unexpired lease or aircraft, it is treated as a pre-petition breach of the lease or contract in question and, subject to certain exceptions, relieves us of performing any future obligations but entitles the lessor or contract counterparty to a pre-petition general unsecured claim for damages caused by such deemed breach and accordingly, the counterparty may file a claim against us for such damages. As a result, liabilities subject to compromise are likely to increase in the future, as a result of damage claims created by our rejection of various aircraft, executory contracts and unexpired leases. Generally, if we assume an aircraft financing agreement, executory contract or unexpired lease we are required to cure most existing defaults under such contract or lease. We expect that the assumption of certain executory contracts and unexpired leases may convert liabilities currently shown as subject to compromise to liabilities not subject to compromise.

To successfully exit Chapter 11, we must obtain confirmation by the Bankruptcy Court of a plan of reorganization. A plan of reorganization would, among other things, resolve our pre-petition obligations and other liabilities subject to compromise and establish our corporate governance subsequent to exit from bankruptcy. The plan of reorganization would also address the terms and conditions of exit financing as part of our revised capital structure. While there can be no assurance that we can obtain the necessary financing to exit from bankruptcy, we currently believe that UAL's presently outstanding equity securities will have no value and expect that those securities will be canceled under any new proposed plan of reorganization. For this reason, we urge that caution be exercised with respect to existing and future investments in any UAL equity security. The rights and claims of various creditors and security holders will also be determined by the plan. At this time, it is not possible to predict accurately the effect of the Chapter 11 reorganization process on our business, nor can we make any predictions concerning how certain claims will be valued in UAL's bankruptcy case.

We are currently operating under an "exclusive period" which expires August 30, 2004, during which we are the only party permitted to file a plan of reorganization. The decision as to when we will file a plan of reorganization depends on the timing and outcome of numerous ongoing matters in the Chapter 11 process. We expect to file a plan of reorganization that provides for UAL's emergence from bankruptcy, but there can be no assurance that the Bankruptcy Court will confirm a plan of reorganization or that any such plan will be implemented successfully.

DIP Financing. In connection with UAL's Chapter 11 case, the Company arranged a debtor-in-possession secured financing ("DIP Financing"). The initial DIP Financing consisted of two facilities, a \$300 million facility provided by Bank One N.A. ("Bank One Facility") and a \$1.2 billion facility provided by J.P. Morgan Chase Bank, Citicorp USA, Inc., Bank One, N.A., and The CIT Group/Business Credit, Inc. ("Club Facility"). As of June 30, 2004, we had \$60 million in outstanding borrowings under the Bank One Facility (which was repaid on July 1, 2004) and \$395 million under the Club Facility, which included \$23 million in letters of credit issued under the Club Facility.

In May 2004, we reached an agreement to modify terms of the Club Facility. The Club Facility currently consists of a revolving credit and letter of credit facility of \$200 million and a term loan of \$300 million, maturing on December 31, 2004. We have the option of borrowing under the Club Facility at an interest rate of the prime rate plus 4.5% or LIBOR plus 5.5% (with a LIBOR floor of 3%).

Subsequently, we have reached agreement to modify certain terms of the existing Club Facility. The Club Facility will consist of a revolving credit and letter of credit facility of \$200 million and a term loan of \$800 million, which matures on June 30, 2005. The interest rates did not change from the May 2004 agreement. These amendments to our Club Facility are subject to the approval of the Bankruptcy Court which we anticipate seeking in August.

The proposed terms of the amended Club Facility include covenants that require us to satisfy ongoing monthly financial requirements as determined by reference to EBITDAR (earnings before interest, income taxes, depreciation, amortization and aircraft rents) thresholds and that limit capital expenditures. In addition, we are required to maintain a minimum unrestricted cash balance of \$600 million. The proposed terms of the amended Club Facility also contain financial covenants that do not permit us to make payments inconsistent with our business plan, unless the lenders otherwise consent based on a modified business plan. As a result, we currently do not expect to make any contributions to our pension plans before our exit from bankruptcy.

Financial Statement Presentation. We have prepared the accompanying consolidated financial statements in accordance with American Institute of Certified Public Accountants' Statement of Position 90-7 ("SOP 90-7"), "Financial Reporting by Entities in Reorganization Under the Bankruptcy Code," and on a going-concern basis, which assumes continuity of operations, realization of assets and satisfaction of liabilities in the ordinary course of business.

SOP 90-7 requires that the financial statements separate transactions and events that are directly associated with the restructuring from the ongoing operations of the business. Accordingly, all transactions (including, but not limited to, all professional fees, realized gains and losses, and provisions for losses) directly related to the reorganization and restructuring of the business are reported separately in the financial statements. The Statements of Consolidated Financial Position distinguishes pre-petition liabilities subject to compromise both from those that are not subject to compromise as well as from all post-petition liabilities. Liabilities subject to compromise are reported at the amounts expected to be allowed by the Bankruptcy Court, even if they may be settled for lesser amounts.

In addition, as a result of UAL's Chapter 11 case, the realization of assets and the satisfaction of liabilities (without substantial adjustments and/or changes in ownership) are subject to uncertainty. While operating as debtors-in-possession under the protection of Chapter 11 and subject to approval of the Bankruptcy Court and the terms of the applicable DIP Financing covenants, or otherwise as permitted in the ordinary course of business, we may sell or dispose of assets (including aircraft) and liquidate or settle liabilities for some amounts other than those reflected in the consolidated financial statements. Further, our plan of reorganization could materially change the amounts and classifications in the historical consolidated financial statements.

Pursuant to the Bankruptcy Code, we have filed schedules with the Bankruptcy Court identifying our assets and liabilities as of the Petition Date, while our creditors have been able to file proofs of claim with the Bankruptcy Court. The total amount of claims filed with the Bankruptcy Court far exceeds our estimate of ultimate liability. We believe that many of these claims are invalid because they are duplicative, are based upon contingencies that have not occurred, or are otherwise overstated. Differences in amount between claims filed by creditors and liabilities shown in our records are being investigated and resolved in connection with our claims resolution process. That process has commenced and, in light of the number of claims asserted, will take significant time to complete. For this reason, the ultimate number and allowed amounts of such claims cannot yet be determined.

New Accounting Pronouncements

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Medicare Act") was enacted to provide a prescription drug benefit as well as a federal subsidy to sponsors of certain retiree health care benefit plans. As allowed by Financial Accounting Standards Board Staff Position No. 106-1 ("FSP 106-1"), we elected to reflect the effects of the Medicare Act on our accumulated postretirement benefit obligation ("APBO") and net periodic postretirement benefit cost for 2003. The Medicare subsidy resulted in a decrease in the APBO of approximately \$280 million but was immaterial to our 2003 financial results.

On May 19, 2004, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position No. 106-2 ("FSP 106-2") which supersedes FSP 106-1 and provides specific guidance on accounting for the subsidy. The issuance of FSP 106-2 did not significantly change our original estimates of the APBO. On a pro forma basis, it decreased our annual postretirement expense by approximately \$30 million.

Per Share Amounts

Basic loss per share amounts were computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the year.

Loss Attributable to Common Stockholders
(in millions)

Three Months
Ended June 30

Six Months
Ended June 30

	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net loss	\$ (247)	\$ (623)	\$ (706)	\$ (1,965)
Preferred stock dividend requirements	(2)	(2)	(5)	(5)
Loss attributable to common stockholders	<u>\$(249)</u>	<u>\$(625)</u>	<u>\$(711)</u>	<u>\$(1,970)</u>
<u>Shares (in millions)</u>				
Weighted average shares outstanding	<u>110.9</u>	<u>99.8</u>	<u>110.8</u>	<u>97.4</u>
<u>Loss Per Share</u>	<u>\$ (2.25)</u>	<u>\$(6.26)</u>	<u>\$(6.42)</u>	<u>\$(20.22)</u>

At June 30, 2004 and 2003, stock options to purchase approximately 11 million and 14 million shares of common stock, respectively, were outstanding but were not included in the computation of earnings per share because the exercise price of the options was greater than the average market price of the common shares. At June 30, 2003, approximately 16 million shares of convertible ESOP preferred stock were not included as the result would have been antidilutive. As of June 30, 2004, all remaining shares of convertible ESOP preferred stock had been converted to common shares.

Stock Option Accounting

We account for stock-based employee compensation plans under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." We have not incurred any stock-based employee compensation cost for stock options, as all options granted under the plans had an exercise price equal to the market value of the underlying common stock on the date of grant.

If compensation cost for stock-based employee compensation plans had been determined using the fair value recognition provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," the Company's net loss and loss per share would have been reported as the pro forma amounts shown below:

<u>(In millions, except per share)</u>	<u>Three Months</u>		<u>Six Months</u>	
	<u>Ended June 30</u>		<u>Ended June 30</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net loss, as reported	\$ (247)	\$ (623)	\$ (706)	\$ (1,965)
Less: Total compensation expense determined under fair value method	(3)	(5)	(5)	(10)
	<u>\$(250)</u>	<u>\$(628)</u>	<u>\$(711)</u>	<u>\$(1,975)</u>
Net loss per share, basic				
As reported	<u>\$(2.25)</u>	<u>\$(6.26)</u>	<u>\$(6.42)</u>	<u>\$(20.22)</u>
Pro forma	<u>\$(2.27)</u>	<u>\$(6.31)</u>	<u>\$(6.46)</u>	<u>\$(20.32)</u>

Income Taxes

Beginning in the third quarter of 2002, we established a valuation allowance against our net deferred tax asset. Thus, UAL has a zero percent effective tax rate for both 2003 and 2004. As of June 30, 2004, our valuation allowance totaled \$2.4 billion. Further, we have determined that it is more likely than not that our gross deferred tax assets, net of valuation allowances at June 30, 2004, will be realized through the reversals of existing deferred tax credits.

Retirement and Postretirement Plans

In December 2003, the FASB revised SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits", ("SFAS No. 132") effective for all interim periods following December 15, 2003. SFAS No. 132 revises employers' disclosures about pension plans and other postretirement benefit plans including disclosures made in interim periods. While it does not change the measurement or recognition of those plans, it requires additional interim disclosures as detailed below.

Our net periodic benefit cost included the following components for the three months and six months ended June 30:

<u>(In millions)</u>	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>Three Months Ended June 30</u>			
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Service cost	\$ 62	\$ 70	\$ 16	\$ 21
Interest cost	197	193	42	56
Expected return on plan assets	(175)	(170)	(3)	(2)
Amortization of prior service cost				

including transition obligation/(asset)	20	22	(26)	(14)
Curtailement charge	-	125	-	13
Special termination benefit	-	10	-	4
Recognized actuarial (gain)/loss	<u>23</u>	<u>17</u>	<u>23</u>	<u>26</u>
Net periodic benefit costs	<u>\$ 127</u>	<u>\$ 267</u>	<u>\$ 52</u>	<u>\$ 104</u>

<u>(In millions)</u>	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>Six Months Ended June 30</u>			
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Service cost	\$ 120	\$ 169	\$ 27	\$ 51
Interest cost	395	468	92	136
Expected return on plan assets	(355)	(412)	(5)	(5)
Amortization of prior service cost				
including transition obligation/(asset)	40	53	(51)	(34)
Curtailement charge	-	125	-	13
Special termination benefit	-	10	-	4
Recognized actuarial (gain)/loss	<u>50</u>	<u>42</u>	<u>51</u>	<u>62</u>
Net periodic benefit costs	<u>\$ 250</u>	<u>\$ 455</u>	<u>\$ 114</u>	<u>\$ 227</u>

In accordance with Section 1114 of the Bankruptcy Code, we reached agreements with the authorized representatives of our retirees to modify the medical and certain life benefits that we provide to our approximately 35,000 retired employees who retired before July 1, 2003. On June 14, 2004, the Bankruptcy Court approved the consensual modifications of retiree medical and life benefits. As a result of the modifications to retiree medical benefits, we revalued our postretirement plans as of June 1, 2004. The significant actuarial assumptions used for the revaluation of the plans were unchanged from December 31, 2003 except for the discount rate which was increased from 6.25% to 6.50%. These changes have been reflected in the above disclosures and result in a decrease to our APBO of \$970 million and a reduction in expense of \$110 million on an annualized basis. In addition, we expect that these agreements will deliver cash savings to the Company of more than \$300 million through 2010.

After giving consideration to temporary funding relief provided by the Pension Funding Equity Act of April 2004, our minimum required contribution to our pension plan trusts is approximately \$700 million in 2004. Of this total, we contributed \$17 million and \$110 million, during the first and second quarters of 2004 respectively, to our plans. However, we did not make the \$72 million quarterly minimum funding contribution that was due on July 15, 2004.

The proposed terms of the amended Club Facility (for details see "DIP Financing" in the notes above) contains financial covenants that do not permit us to make payments inconsistent with our business plan, unless the lenders otherwise consent based on a modified business plan. As a result, we do not expect to make any pension contributions before our exit from bankruptcy.

Restricted Cash

At June 30, 2004, UAL had \$838 million in restricted cash, primarily representing security for worker compensation obligations, security deposits for airport leases and reserves with institutions that process the Company's sales.

Liabilities Subject to Compromise

Liabilities subject to compromise refers to obligations which will be accounted for under a plan of reorganization, including claims incurred prior to the Petition Date. They result from known or potential claims to be resolved through the Chapter 11 process, and remain subject to future adjustments arising from negotiated settlements, actions of the Bankruptcy Court, rejection of executory contracts and unexpired leases, the determination as to the value of any collateral securing claims, proofs of claim or other events. To date, such adjustments, as reflected in reorganization expense, have been material and we anticipate that future adjustments will be material as well. Payment terms for these amounts will be established in connection with the Chapter 11 process.

At June 30, 2004, we had liabilities subject to compromise of \$13.7 billion consisting of:

<u>(In millions)</u>	
Long-term debt, including accrued interest	\$ 7,406
Aircraft-related accruals and deferred gains	3,362
Capital lease obligations, including accrued interest	1,765
Accounts payable	298
Company-obligated mandatorily redeemable	

Long-term Debt

During the second quarter of 2004, we renegotiated the financing arrangement for certain non-operating aircraft which we provide to a third party under an operating lease. As a consequence, long-term debt and other assets increased \$172 million. The payment streams under the lease arrangement are included in "Other Revenues".

United Express

United has marketing agreements under which independent regional carriers, flying under the United Express ("UAX") name, feed passengers to other United-branded flights. During the second half of 2003, we reached new or substantially revised agreements with several UAX carriers Air Wisconsin Airlines Corporation, Mesa Air Group, SkyWest Airlines and Trans States Airlines.

Historically, we paid our UAX partner carriers on a fee-per-departure basis and included the revenues derived from them in passenger revenue, net of expenses. However, the long-term agreements with these UAX carriers change the previous fee-per-departure arrangement to a fixed rate and capital reimbursement arrangement.

We have changed our classification of UAX revenues and expenses for UAX carriers Air Wisconsin Airlines Corporation, Mesa Air Group, SkyWest Airlines and TransStates Airlines to record revenues and expenses related to these UAX carriers at gross, rather than net. These revenues and expenses are presented as "Regional Affiliates" on the financial statements.

On April 2, 2004, we agreed to end our UAX relationship with Atlantic Coast Airlines ("ACA") and entered into a formal transition agreement providing for an orderly transition to UAX flying and ground handling. The transition of UAX flying and ground handling began in June 2004 and will be completed in August. The revenues and expenses related to ACA continue to be included net in passenger revenues.

Amounts included in passenger revenues (which represent only the ACA relationship in 2004, and all UAX carriers in the prior year) were:

(In millions)	<u>Net revenues (net expenses)</u>		<u>Net revenues (net expenses)</u>	
	Three Months		Six Months	
	<u>Ended June 30</u>		<u>Ended June 30</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
United Express revenues	\$ 147	\$ 366	\$ 294	\$ 672
United Express expenses	(149)	(408)	(325)	(809)
Net amount in passenger revenues	\$ (2)	\$ (42)	\$ (31)	\$ (137)

Segment Information

We have five reportable segments that reflect the management of our business: North America, the Pacific, the Atlantic and Latin America, each of which is part of United, and UAL Loyalty Services, Inc. ("ULS"). For internal management and decision-making purposes, we have allocated expenses and revenues (as incorporated in our consolidated financial statements) to these segments as follows:

(In millions)	<u>Three Months Ended June 30, 2004</u>							
	<u>United Air Lines, Inc.</u>						Inter- segment <u>Elimination</u>	UAL Consolidated <u>Total</u>
	North		Latin		ULS	Other		
	<u>America</u>	<u>Pacific</u>	<u>Atlantic</u>	<u>America</u>				
Revenue	\$ 2,615	\$ 638	\$ 489	\$ 97	\$ 202	\$ -	\$ -	\$ 4,041
Intersegment revenue	83	21	17	3	12	3	(139)	-
Earnings (loss) before reorganization items	\$ (185)	\$ 15	\$ 21	\$ (7)	\$ 72	\$ (19)	\$ -	\$ (103)

(In millions)	<u>Three Months Ended June 30, 2003</u>							
	<u>United Air Lines, Inc.</u>						Inter- segment <u>Elimination</u>	UAL Consolidated <u>Total</u>
	North		Latin		ULS	Other		
	<u>America</u>	<u>Pacific</u>	<u>Atlantic</u>	<u>America</u>				

Revenue	\$2,040	\$ 363	\$ 430	\$ 95	\$ 179	\$ 2	\$ -	\$ 3,109
Intersegment revenue	\$ 74	\$ 13	\$ 16	\$ 3	\$ 9	\$ 1	\$ (116)	\$ -
Earnings (loss) before special charges, government assistance and reorganization items	\$ (237)	\$ (121)	\$ (20)	\$ (25)	\$ 33	\$ (4)	\$ -	\$ (374)

(In millions)

Six Months Ended June 30, 2004

	<u>United Air Lines, Inc.</u>						<u>Inter-segment Elimination</u>	<u>UAL Consolidated Total</u>
	<u>North America</u>			<u>Latin America</u>				
	<u>Pacific</u>	<u>Atlantic</u>	<u>ULS</u>	<u>Other</u>	<u>ULS</u>	<u>Other</u>		
Revenue	\$ 4,971	\$ 1,245	\$ 938	\$ 213	\$ 404	\$ 2	\$ -	\$ 7,773
Intersegment revenue	149	38	29	6	25	4	(251)	-
Earnings (loss) before reorganization items	\$ (545)	\$ (3)	\$ (7)	\$ (14)	\$ 138	\$ (1)	\$ -	\$ (432)

(In millions)

Six Months Ended June 30, 2003

	<u>United Air Lines, Inc.</u>						<u>Inter-segment Elimination</u>	<u>UAL Consolidated Total</u>
	<u>North America</u>			<u>Latin America</u>				
	<u>Pacific</u>	<u>Atlantic</u>	<u>ULS</u>	<u>Other</u>	<u>ULS</u>	<u>Other</u>		
Revenue	\$ 3,984	\$ 919	\$ 827	\$ 204	\$ 353	\$ 6	\$ -	\$ 6,293
Intersegment revenue	\$ 135	\$ 35	\$ 29	\$ 8	\$ 20	\$ -	\$ (227)	\$ -
Earnings (loss) before special charges, government assistance and reorganization items	\$ (924)	\$ (271)	\$ (137)	\$ (71)	\$ 63	\$ 10	\$ -	\$ (1,330)

(In millions)	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Total loss for reportable segments	\$ (84)	\$ (370)	\$ (431)
Curtailement	-	(152)	-	(152)
Special charges	-	-	-	(137)
Reorganization items, net	(144)	(397)	(274)	(646)
Government assistance	=	300	-	300
Other UAL subsidiary earnings	(19)	(4)	(1)	10
Total loss before income taxes	\$ (247)	\$ (623)	\$ (706)	\$ (1,965)

United's dedicated revenue-producing assets (primarily aircraft) generally can be deployed in any of its reportable segments, while ULS has \$843 million in total assets.

Other Comprehensive Income

(In millions)	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Net loss	\$ (247)	\$ (623)	\$ (706)
Pension liability adjustment	-	(964)	-	(964)
Unrealized gains (losses)	=	=	(1)	4
Total comprehensive loss	\$ (247)	\$ (1,587)	\$ (707)	\$ (2,925)

See "Special Charges" note below for details regarding the pension liability adjustment.

Reorganization Items

We recognized the following amounts for reorganization expenses in connection with our Chapter 11 filings:

(In millions)	Three Months		Six Months	
	Ended June 30		Ended June 30	
	2004	2003	2004	2003
Aircraft rejection charges	\$ 103	\$ 279	\$ 224	\$ 279
Transfer of lease certificates	-	-	-	215
Professional fees	49	41	83	75
Severance and employee retention	-	44	7	48
Interest income	(4)	(5)	(8)	(8)
Other	(4)	38	(32)	37
	<u>\$ 144</u>	<u>\$ 397</u>	<u>\$ 274</u>	<u>\$ 646</u>

Aircraft rejection charges include our estimate of claims resulting from United's rejection of certain aircraft financing obligations (and return of the associated aircraft) as part of the bankruptcy process.

In the first quarter of 2003, we renegotiated certain off-balance sheet leases as part of the Section 1110 process. Under the terms of the revised leases, we surrendered our investment in the junior portion of the original lease debt to the original equity participant. As a result, our investment in the corresponding lease certificates was reduced to zero, resulting in a \$215 million non-cash charge in reorganization items.

Special Charges

Air Canada. On April 1, 2003, Air Canada filed for protection under the Companies' Creditors Arrangement Act ("CCAA") of the Canada Business Corporation Act. During the first quarter of 2003, the Company recorded a non-operating special charge of \$137 million in connection with Air Canada's CCAA filing. The charge included \$46 million for the impairment of our investment in Air Canada preferred stock and \$91 million to record a liability resulting from our guarantee of Air Canada debt. We consider this liability to be a pre-petition obligation and accordingly, have classified it in liabilities subject to compromise.

Curtailment Charge. During the second quarter of 2003, we revalued our pension and postretirement plans for certain employee groups as a result of the ratification of new labor contracts for our major employee groups and additional employee furloughs. The significant actuarial assumptions used for the revaluation of the plans were unchanged from December 31, 2002, except for the discount rate and weighted average salary scale. The revaluation of the plans resulted in special termination and curtailment charges of \$152 million in the second quarter of 2003. In addition, as a direct result of the revaluation of the pension plans, stockholders' equity and pension intangible assets were reduced by approximately \$964 million and \$200 million, respectively. These changes to the pension and postretirement plans also reduced expenses by approximately \$100 million in the second quarter of 2003 or approximately \$550 million on an annualized basis.

Government Assistance. In May 2003, we received approximately \$300 million in compensation under the Emergency Wartime Supplemental Appropriations Act ("Wartime Act") which was signed into law on April 16, 2003. The legislation included approximately \$3 billion of financial aid for U.S. air carriers as follows: \$2.4 billion to compensate air carriers for expenses and forgone revenues related to aviation security, including \$100 million for reinforcing cockpit doors; suspension of the passenger and air carrier security fees from June 1, 2003 through September 30, 2003; and a one-year extension of government-provided war-risk insurance to August 2004.

The Wartime Act also required that the total compensation of the two most highly compensated executives of certain airlines be limited, during the period between April 1, 2003 and April 1, 2004, to the annual salary paid to those officers with respect to the air carrier's fiscal year 2002. Consequently, we executed a contract with the government agreeing to comply with the executive compensation limits described above or to repay the government the amount of its compensation for airline security fees described above. We have complied with the executive compensation limits provision and thus do not believe that we are required to repay the government.

Reconciliation of Accruals

In the period following September 11, 2001, we recorded an accrual of \$162 million to reflect our estimate of the early termination fees associated with certain contracts. This obligation has yet to be resolved, and therefore continues to be included in liabilities subject to compromise in its entirety.

Aircraft Fuel Hedging

Aircraft fuel represented 17% and 16%, respectively, of our total operating expenses for the three months and six months ended June 30, 2004.

During the second quarter of 2004, we began hedging a portion of our price risk related to anticipated future jet fuel requirements primarily through a collar option strategy. The collars, which have been designated as cash flow hedges, involve the purchase of fuel call options with the simultaneous sale of fuel put options with identical expiration dates. These contracts are

recorded at fair value with the changes in fair value, to the extent they are effective, recorded in other comprehensive income until the underlying hedged fuel is consumed. The fair value is determined by the use of standard option value models using assumptions regarding commodity derived from prices observed in underlying markets. To date, the impact of these hedge transactions has been immaterial to our financial statements.

Currently, we have hedged approximately 30% of our remaining 2004 projected fuel requirements at an average price of \$0.99 to \$1.16 per gallon and anticipate continuing to hedge future fuel purchases for 2004 and 2005 as circumstances and market conditions allow.

Commitments and Contingencies

UAL has certain contingencies resulting from litigation and claims (including environmental issues) encountered in 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 we are subject and prior experience, that the ultimate disposition of these contingencies will not materially affect the Company's consolidated financial position or results of operations.

We record liabilities for legal and environmental claims against us in accordance with generally accepted accounting principles. These amounts are recorded based on our assessments of the likelihood of their eventual settlements. The amounts of these liabilities could increase or decrease in the near term, based on revisions to estimates relating to the various claims. In addition, as a result of the bankruptcy filing, as of the Petition Date, virtually all pending litigation is stayed, and absent further order of the Bankruptcy Court, no party, subject to certain exceptions, may take any action, again subject to certain exceptions, to recover on pre-petition claims against us. Accordingly, we have classified certain of these liabilities as liabilities subject to compromise.

The Company denies liability and will vigorously contest the allegations made against it in litigation arising from the events of September 11, 2001. However, in the event that liability were to be assessed after a full trial on the merits, it is likely that any damages awarded would be significant. Nevertheless, we believe that, under federal law, our actual liability will be limited to our insurance coverage.

At June 30, 2004, commitments for the purchase of property and equipment, principally aircraft, approximated \$1.6 billion, after deducting advance payments. Our current commitments would require the payment of an estimated \$0.1 billion for the remainder of 2004, \$0.4 billion in each of 2005 and 2006, \$0.5 billion in 2007 and \$0.2 billion in 2008 and thereafter, primarily for the purchase of A319, A320 and B777 aircraft. It is likely that the amount and timing of these obligations will change, and could potentially be eliminated in their entirety. Additionally, the disposition of advance payments to the manufacturers of \$161 million is subject to the ultimate outcome of these discussions.

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

Chapter 11 Reorganization

On December 9, 2002, UAL, United and 26 of its subsidiaries filed voluntary petitions to reorganize their businesses under Chapter 11 of the United States Bankruptcy Code. For further details regarding the Chapter 11 Cases, see "Voluntary Reorganization Under Chapter 11" in the Notes to Consolidated Financial Statements. In addition, specific information pertaining to our bankruptcy filing may be obtained through the website www.pd-ual.com.

In light of the decision by the Air Transportation Stabilization Board ("ATSB") (delivered June 28, 2004) to deny our updated application for a federal loan guarantee, we believe that further restructuring, including additional cost reductions and efficiency improvements, will be required for us to obtain exit financing. We are currently in the process of gathering feedback from the capital markets to determine the levels of cash flows, coverage ratios, and other comparable financial metrics which must be delivered by our business plan to attract exit financing without an ATSB loan guarantee. Emergence from Chapter 11 depends upon, among other things, securing exit financing and establishing a viable post-exit capital structure, as well as the successful confirmation and implementation of a plan of reorganization. At this time, it is premature to speculate on the length of time these efforts will take and, consequently, when we anticipate emerging from bankruptcy.

DIP Financing. On July 21, we received commitments for \$1 billion (which represents a \$500 million increase from the existing arrangement), with a maturity date of June 30, 2005 that will take the form of an amendment to our current Club Facility. This DIP Financing will be underwritten by J.P. Morgan Chase Bank, Citicorp USA, Inc., The CIT Group/Business Credit, Inc. and GE Capital. Extending the current Club Facility's maturity will provide us with liquidity throughout the seasonally slow fall and winter seasons as well as with the additional time we need to complete our restructuring efforts in a systematic and measured way and formulate a modified business plan. See "DIP Financing" in the Notes to Consolidated Financial Statements.

Pensions. Our projected minimum pension funding obligations over the 2004 to 2008 time period remains unchanged at approximately \$4.1 billion, despite the temporary pension funding relief provided by the Pension Funding Equity Act of 2004. To best manage our resources and preserve our options going forward as we work to secure exit financing, we did not make the \$72 million quarterly minimum funding contribution that was due on July 15, 2004. In addition, on July 23, 2004, we announced that we had agreed to amend our Club Facility. The proposed terms of the amended Club Facility (for details see "DIP Financing" above) contain financial covenants that do not permit us to make payments inconsistent with our business plan, including our

pension contributions, unless the lenders otherwise consent based on a modified business plan. As a result, we do not expect to make any pension contributions before our exit from bankruptcy. Such payments would diminish the Company's liquidity and reduce flexibility, thus impairing our ability to attract exit financing. In and of itself, this decision does not affect the benefits currently being paid under these plans.

In response to this announcement, on July 26, 2004, we received a letter from the Pension Benefit Guaranty Corporation ("PBGC") requesting that we provide a detailed explanation of how our business plan will enable us to meet these obligations or if we intend to terminate any of our defined benefit pension plans. We plan to work closely with the PBGC and other stakeholders on these issues.

However, our long-term business plan must have cash flow and liquidity levels that the capital markets are willing to finance. Because existing pension plan contributions would remain a huge financial burden after exit, it is incumbent on us to study all possible options and to determine whether we can sustain this burden and still attract exit financing. At present, no decisions have been made and much work and analysis needs to be completed.

On July 29, 2004, the International Association of Machinists and Aerospace Workers filed a complaint in the United States District Court for the Northern District of Illinois alleging a breach of fiduciary duty by our chairman, president and chief executive officer and certain other officers in connection with the Company's decision not to make the July 2004 pension plan contribution and the amendment to its Club Facility. For further information see "Legal Proceedings" in Part II, Item 1 of this Form 10-Q.

Section 1110 Aircraft Restructuring. We have negotiated with lessors and lenders to restructure existing financings to reduce aircraft ownership costs to better reflect current market rates, and we have reached agreements in principle with respect to a substantial majority of our financed aircraft. However, in light of the ATSB's final decision regarding our loan application and the need for further cost reductions, we are re-examining these agreements and believe it is likely that we will need to renegotiate one or more of them. Although we expect to be successful with respect to any such efforts, to the extent we are unable to restructure any financings we believe are unaffordable under the modified business plan, we may face the possibility that one or more financiers may seek to repossess their aircraft. Likewise, there is no assurance that those agreements in principle which are not restructured will be successfully converted to final contracts. To the extent we are unable to finalize those agreements there can be no assurance that we will be able to reach new agreements at comparable economics or that financiers will not repossess aircraft. The repossession of a significant number of aircraft could result in a material adverse affect on our financial and operational performance.

Municipal Bond Obligations. At June 30, 2004, we had approximately \$1.7 billion in special facilities revenue bonds ("municipal bonds") outstanding that were issued on behalf of United to build or improve airport-related facilities. The Company leases facilities at airports pursuant to lease agreements where municipal bonds funded at least some of the airport-related projects.

During 2003, we filed four complaints for declaratory judgment and corresponding motions for temporary restraining order concerning municipal bonds issued for facilities at the Denver International Airport, the New York City - John F. Kennedy International Airport ("JFK"), the San Francisco International Airport ("SFO"), and the Los Angeles International Airport ("LAX"). In each case, we sought clarification of our obligations under the applicable municipal bonds, and the protection of our rights concerning related airport lease agreements at the applicable airport.

On March 30, 2004, the Bankruptcy Court granted our motions for summary judgment with respect to the JFK, SFO and LAX municipal bonds, holding that our payment obligations related to airport improvements at these sites are not obligations arising under "leases" pursuant to Section 365 of the Bankruptcy Code. Based on this ruling, the outstanding \$248 million in principal and interest in connection with these bonds is considered pre-petition debt. The rights and claims of these bondholders, therefore, will be determined by our plan of reorganization.

In our adversary proceeding involving the Denver airport, however, the Bankruptcy Court did not grant our motion for summary judgment. Rather, the Bankruptcy Court found that our payment obligations related to airport improvements at the Denver airport (which represents approximately \$261 million of debt) are obligations arising under a true lease. In accordance with the Bankruptcy Court's order, we paid \$27 million into escrow (pending the outcome of our appeal) for the April 2003, October 2003 and April 2004 interest payments related to the Denver airport municipal bonds.

The defendants in the SFO, JFK and LAX adversary proceedings appealed the Bankruptcy Court's ruling. Likewise, United has appealed the Bankruptcy Court's ruling with regard to the Denver airport. These appeals are pending in the United States District Court for the Northern District of Illinois. The parties have fully briefed the issues, and the District Court has not set a date for its ruling.

Similarly, in September 2003, we filed a complaint for declaratory judgment for all seven municipal bond issues relating to our facilities at Chicago O'Hare International Airport ("O'Hare") (which represents approximately \$601 million in debt), seeking, among other things, a declaration that a certain cross-default provision in the O'Hare airport lease is unenforceable. At the time of this filing, the Bankruptcy Court has not ruled on this matter. While that case is pending and as ordered by the Bankruptcy Court, we have paid into escrow payments totaling \$22 million related to the O'Hare municipal bonds for March, April, May, September, October and November of 2003 and for March, April and May of 2004.

Pending the Bankruptcy Court's ruling, we are unable to predict what, if any, action might be taken in the future by either the bondholders or the airport authorities as a result of United's failure to pay these O'Hare contractual obligations. However, we

believe that the Bankruptcy Court's orders substantially reduce the risk of any declared default by providing us an opportunity to make required payments and preserve our rights under the leases.

Claims Resolution Process. As permitted under the bankruptcy process, our creditors have filed proofs of claim with the Bankruptcy Court. The total amount of such claims filed far exceeds our estimate of ultimate liability. We believe that many of these claims are invalid because they are duplicative, are based upon contingencies which have not occurred, have been amended or superseded by later filed claims, or are otherwise overstated. Differences in amount between claims filed by creditors and liabilities shown in our records are being investigated and resolved in connection with our claims resolution process. While we have made significant progress to date, we expect this process to continue for some time and believe that further reductions to the claims register will enable us to determine with more precision the likely range of creditor distributions under a proposed plan of reorganization. At this time, the ultimate number and allowed amount of such claims cannot be determined.

United Express. On April 2, 2004, we reached an agreement with Atlantic Coast Airlines, Inc. ("ACA") to end our United Express ("UAX") relationship and entered into a formal transition agreement providing for an orderly transition of UAX flying and ground handling operations between June 3 and August 4, 2004. On April 16, 2004, the Bankruptcy Court approved both the rejection of our UAX agreement with ACA and the transition agreement.

As part of our transition plan, in June 2004, we began replacing ACA with a combination of six regional airlines (and some United Airlines mainline service), who will also assume ground-handling responsibilities at Chicago O'Hare, Washington Dulles and the spoke cities. The transition is expected to be complete in August 2004. To support this transition, we expanded our relationship with current UAX partners Air Wisconsin Airlines Corporation, Mesa Air Group, Trans States Airlines and SkyWest Airlines, and entered into new agreements with Chautauqua Airlines, Republic Airlines, and Shuttle America to operate thirty-two regional jets and ten turbo-prop aircraft under the United Express brand.

Results of Operations

Summary of Results. The air travel business is subject to seasonal fluctuations. United's operations are often adversely affected by winter weather and our first- and fourth-quarter results normally reflect reduced travel demand. Historically, operating results are better in the second and third quarters. In the aftermath of the September 11 terrorist attacks (a period which also saw the eruption of hostilities in Iraq and the emergence of the SARS epidemic in Asia) overall customer demand and hence revenue were severely disrupted across the airline industry. With the historically high load factors observed this summer, it appears that typical seasonality patterns are re-emerging, albeit at much lower levels of industry profitability.

Not unexpectedly, we experienced under-performance in revenues following the Chapter 11 filings in December of 2002. This under-performance accelerated in the first quarter of 2003 as weak economic conditions, the outbreak of war in Iraq and aggressive fare competition with low-cost competitors contributed to a 9% drop in passenger unit revenue in the first quarter of 2003 versus the same period of 2002 (as compared to a 4% drop for the airline industry overall). To bolster our performance, we implemented a number of marketing, sales, inventory management and pricing actions to restore customer confidence, stimulate demand and increase revenue. As a result of these actions, we out-performed the industry in load factor and passenger unit revenue growth during the first six months of 2004, as passenger unit revenue grew by 12% as compared to a 3% increase for the rest of the airline industry.

UAL had operating earnings of \$7 million in the second quarter of 2004, a \$438 million improvement over the second quarter of 2003. UAL's net loss in the second quarter of 2004 was \$(247) million (\$(2.25) per share), compared to \$(623) million (\$(6.26) per share) in the same period of 2003.

UAL had an operating loss of \$(204) million in the first six months of 2004, a \$1.0 billion improvement over the first six months of 2003. UAL's net loss in the first six months of 2004 was \$(706) million (\$(6.42) per share), compared to \$(2.0) billion (\$(20.22) per share) in the same period of 2003.

During the third quarter of 2003, we began recording revenues and expenses related to certain United Express carriers at gross, rather than net. See "United Express" in the Notes to Consolidated Financial Statements.

The second quarter 2004 results include \$144 million in reorganization items recorded in connection with our bankruptcy proceedings. The second quarter 2003 results include \$397 million in reorganization items as well as a \$152 million curtailment charge in connection with the revaluation of our pension and postretirement plans, a loss of \$41 million on the sale of certain aircraft and a one-time benefit of \$102 million for the reversal of a contractual payment to some employees and changes in vacation accruals as a result of new lower pay rates that were part of contract negotiations. Additionally, we received \$300 million in direct government assistance from the 2003 Emergency Wartime Supplemental Appropriations Act in the second quarter of 2003. For further details, see "Special Charges" in the Notes to Consolidated Financial Statements.

Specific factors affecting our consolidated operations for the second quarter and the first six months of 2004 are described below.

Second Quarter 2004 Compared with Second Quarter 2003.

Operating Revenues. Operating revenues increased \$932 million (30%) on a 20% rise in traffic and 3% increase in yield supported by 13% higher capacity. The following analysis by market is based on information reported to the U.S. Department of

Transportation:

2004	<u>System</u>	<u>Domestic</u>	<u>Pacific</u>	<u>Atlantic</u>	<u>Latin</u>
Passenger revenues (in millions)	\$ 3,242	\$ 2,166	\$ 553	\$ 436	\$ 87
Increase (Decrease) from 2003:					
Passenger revenues (in millions)	617	274	275	61	7
Percent	24%	15%	99%	16%	9%
Available seat miles (capacity)	13%	10%	34%	9%	(11%)
Passenger load factor	5.0 pts	1.9 pts	19.6 pts	3.6 pts	2.1 pts
Revenue passenger miles (traffic)	20%	13%	74%	14%	(8%)
Revenue per revenue passenger mile (yield)	3%	2%	15%	16%	19%

Cargo revenues increased \$13 million (8%) largely due to a 5% increase in cargo ton miles. Other operating revenues decreased \$56 million (17%) primarily as the result of a decline in fuel sales to third parties partially offset by higher Mileage Plus mileage sales and third party maintenance sales.

Operating Expenses. Overall, operating expenses increased \$494 million (14%). Mainline operating expenses (excluding regional affiliates) increased \$38 million (1%). United's mainline unit cost (operating expenses, excluding regional affiliates' costs per available seat mile) decreased 10%.

(In millions)	Three Months Ended	Increase/(Decrease) from 2003	Percentage Change	
Operating expenses:				
	<u>June 30, 2004</u>			
Salaries and related costs	\$ 1,208	\$ (191)	(13.7%)	(a)
Aircraft fuel	693	241	53.3%	(b)
Purchased services	370	62	20.1%	(c)
Aircraft rent	134	(3)	(2.2%)	
Landing fees and other rent	242	6	2.5%	
Depreciation and amortization	218	(57)	(20.7%)	(d)
Regional affiliates	456	456		
Cost of sales	145	(107)	(42.5%)	(e)
Aircraft maintenance	193	78	67.8%	(f)
Commissions	81	17	26.6%	(g)
Other	<u>294</u>	<u>(8)</u>	<u>(2.6%)</u>	(h)
	\$ 4,034	\$ 494	14.0%	

(a) The second quarter of 2003 included a curtailment charge of \$152 million partially offset by a one-time benefit of \$102 million due to a reversal of contractual payments (for details see "Summary of Results" above). The remaining \$141 decrease is largely due to productivity improvements enabled by new labor agreements for all employee groups.

(b) Increased due to an increase in the average price per gallon (36%) and increased consumption (13%) as a result of additional flying.

(c) Increased due to higher credit card processing and reservation fees associated with higher passenger revenues and increased outsourcing associated with revised labor contracts.

(d) Decreased largely due to the \$41 million loss on the sale of a B747 aircraft in the second quarter of 2003.

(e) Decreased due to lower fuel sales to third parties.

(f) Increased due to higher levels of purchased maintenance, including contracted maintenance and maintenance materials.

(g) Increased in line with higher commissionable revenues.

(h) Decreased due to the reversal of certain excise tax reserves partially offset by volume driven increases in food and beverage and crew-related costs.

Other non-operating expense amounted to \$110 million in the second quarter of 2004, compared to \$95 million in the second quarter of 2003, excluding government assistance and reorganization items. Inclusive of government assistance and reorganization items, other non-operating expense amounted to \$254 million in the second quarter of 2004, compared to \$192 million in the

second quarter of 2003. For details on the special charges and reorganization items, see "Reorganization Items" and "Special Charges" in the Notes to Consolidated Financial Statements.

First Six Months 2004 Compared with First Six Months 2003.

Operating Revenues. Operating revenues increased \$1.5 billion (24%) driven by a 13% rise in traffic and 6% increase in yield supported by 7% higher capacity. The following analysis by market is based on information reported to the U.S. Department of Transportation:

2004	<u>System</u>	<u>Domestic</u>	<u>Pacific</u>	<u>Atlantic</u>	<u>Latin</u>
Passenger revenues (in millions)	\$ 6,175	\$ 4,095	\$ 1,069	\$ 821	\$ 190
Increase (Decrease) from 2003:					
Passenger revenues (in millions)	1,002	487	363	132	20
Percent	19%	14%	51%	19%	12%
Available seat miles (capacity)	7%	6%	14%	5%	(12%)
Passenger load factor	4.5 pts	1.7 pts	13.7 pts	4.8 pts	5.7 pts
Revenue passenger miles (traffic)	13%	8%	35%	12%	(5%)
Revenue per revenue passenger mile (yield)	6%	5%	12%	11%	17%

Other operating revenues decreased \$170 million (21%) primarily as the result of a decline in fuel sales to third parties partially offset by higher Mileage Plus mileage sales and third party maintenance sales.

Operating Expenses. Overall, operating expenses increased \$440 million (6%). Mainline operating expenses (excluding regional affiliates) decreased \$390 million (5%) and United's mainline unit cost (operating expenses, excluding regional affiliates costs per available seat mile) decreased 11%.

(In millions)	Six Months Ended	Increase/(Decrease) from 2003	Percentage Change	
Operating expenses:	<u>June 30, 2004</u>			
Salaries and related costs	\$ 2,457	\$ (478)	(16.3%)	(a)
Aircraft fuel	1,296	273	26.7%	(b)
Purchased services	722	80	12.5%	(c)
Aircraft rent	271	(66)	(19.6%)	(d)
Landing fees and other rent	473	(3)	(0.6%)	
Depreciation and amortization	448	(61)	(12.0%)	(e)
Regional affiliates	830	830		
Cost of sales	341	(284)	(45.4%)	(f)
Aircraft maintenance	378	146	62.9%	(g)
Commissions	162	33	25.6%	(h)
Other	<u>599</u>	<u>(30)</u>	<u>(4.8%)</u>	(i)
	\$ 7,977	\$ 440	5.8%	

(a) The second quarter of 2003 included a curtailment charge of \$152 million partially offset by a one-time benefit of \$102 million due to a reversal of contractual payments (for details see above "Summary of Results"). The remaining \$428 million decrease is largely due to productivity improvements enabled by new labor agreements for all employee groups.

(b) Increased due to an increase in the average price per gallon (18%) and increased consumption (7%) as a result of additional flying.

(c) Increased due to higher credit card processing and reservation fees associated with higher passenger revenues and increased outsourcing associated with revised labor contracts.

(d) Decreased due to restructuring of aircraft financings under Section 1110 of the Bankruptcy Code.

(e) Decreased largely due to a second quarter 2003 \$41 million loss on the sale of a B747 aircraft.

(f) Decreased due to lower fuel sales to third parties.

(g) Increased due to higher levels of purchased maintenance, including contracted maintenance and maintenance materials.

(h) Increased in line with higher commissionable revenues.

(i) Decreased primarily due to the reversal of certain excise tax reserves.

Other non-operating expense amounted to \$228 million in the first six months of 2004, compared to \$238 million in the first six months of 2003, excluding non-operating special charges, government assistance and reorganization items. Inclusive of non-operating special charges, government assistance and reorganization items, other non-operating expense amounted to \$502 million in the first six months of 2004, compared to \$721 million in the first six months of 2003. For details on the special charges, government assistance and reorganization items, see "Reorganization Items" and "Special Charges" in the Notes to Consolidated Financial Statements.

Liquidity and Capital Resources

UAL's total of cash, cash equivalents and short-term investments, including restricted cash, was \$2.2 billion at June 30, 2004, compared to \$2.4 billion at December 31, 2003.

As of June 30, 2004, we had \$838 million in restricted cash, primarily representing security for worker compensation obligations, security deposits for airport leases and reserves with institutions that process our sales. Prior to 2002, we met many of these obligations through surety bonds or a secured letter of credit facility; however, such facilities are more difficult to access and have become largely unavailable to us. As a result, we have been, and will continue to be required to post additional cash collateral to support such obligations.

During the first six months of 2004, we generated \$565 million of cash from operations excluding a \$127 million retro-wage payment for IAM- and AMFA-represented employees. Overall, total cash and cash equivalents decreased by \$263 million during the first six months, as compared to an increase of \$386 million during the same period in 2003, including approximately \$300 million in compensation received under the Wartime Act (described in further detail in "Special Charges" in the Notes to Consolidated Financial Statements.)

Following passage of the Wartime Act, Glenn F. Tilton, chairman, president and chief executive officer, voluntarily reduced his annual salary by 14%, from \$845,500 to \$712,500, effective April 1, 2003. (Mr. Tilton had previously, in December 2002, amended his employment agreement with the company to reduce his original salary of \$950,000 by 11% to \$845,500, as part of the contribution by salaried and management employees to the company's overall labor cost savings.) After the expiration of the Wartime Act's effective period on April 1, 2004, the HR Subcommittee of the Board of Directors approved the restoration of Mr. Tilton's salary to \$845,500. However, in the wake of the ATSB's rejection of our application for a federal loan guarantee, Mr. Tilton has made the personal decision to reduce his salary and have it revert by \$133,000 annually to its previous level of \$712,500.

During the first six months of 2004, we contributed \$127 million towards our pension funding obligations. Required contributions total approximately \$575 million for the balance of 2004. We currently anticipate that we will not make these contributions. Such payments would diminish the Company's liquidity and reduce flexibility, thus impairing our ability to attract exit financing. For further details see "Retirement and Postretirement Plans" in the Notes to Consolidated Financial Statements. By increasing and extending our Club Facility, and not making these pension contributions, we believe that we will have adequate liquidity to support our ongoing operation under Chapter 11 throughout the seasonally slow fall and winter seasons as well as the additional time to complete our restructuring efforts.

Property additions, including aircraft and aircraft spare parts, amounted to \$150 million. In the first six months of 2004, we acquired two B737, one B757, and one B777 aircraft (all of which were previously rejected) and rejected four B737, two B747, two B767 and four B777 under Section 1110 of the Bankruptcy Code.

Financing activities included principal payments under debt and capital lease obligations of \$89 million and \$185 million, respectively. These amounts represent payments made under Section 1110 elections for aircraft-secured obligations, which are currently classified as liabilities subject to compromise. During the first six months of 2004, we made \$241 million in principal payments towards the DIP Financing.

We expect to spend an estimated \$0.1 billion during the remainder of 2004 for the purchase of property and equipment. At June 30, 2004, commitments for the purchase of property and equipment, principally aircraft, approximated \$1.6 billion, after deducting advance payments. For further details, see "Commitments and Contingencies" in the Notes to Consolidated Financial Statements.

Outlook

We expect booked load factor for August to be at the same level as last year while booked load factor for September is running ahead of last year. We expect third-quarter system mainline capacity to be up about 7% from last year and fourth-quarter up about 3%. Capacity for 2004 is expected to be about 6% higher than 2003. We expect fuel price, including taxes, for the third quarter to average \$1.23 per gallon.

Certain statements throughout Management's Discussion and Analysis of Financial Condition and Results of Operations are forward-looking and thus reflect the Company's current expectations and beliefs with respect to certain current and future events and financial performance. Such forward-looking statements are and will be, as the case may be, subject to many risks and uncertainties relating to the operations and business environments of the Company that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Factors that could significantly affect net earnings, revenues, expenses, costs, load factor and capacity include, without limitation, the following: the Company's ability to

continue as a going concern; the Company's ability to operate pursuant to the terms of the DIP financing; the Company's ability to obtain court approval with respect to motions in the Chapter 11 proceeding prosecuted by it from time to time; the Company's ability to develop, prosecute, confirm and consummate one or more plans of reorganization with respect to the Chapter 11 cases; risks associated with third parties seeking and obtaining court approval to terminate or shorten the exclusive period for the Company to propose and confirm one or more plans of reorganization; the potential adverse impact of the Chapter 11 cases on the Company's liquidity or results of operations; the appointment of a Chapter 11 trustee or conversion of the cases to Chapter 7; the costs and availability of financing; the Company's ability to execute its business plan; the Company's ability to attract, motivate and/or retain key employees; the Company's ability to attract and retain customers; demand for transportation in the markets in which the Company operates; general economic conditions; the effects of any hostilities or act of war or any terrorist attack; the ability of other air carriers with whom the Company has alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; the costs and availability of aircraft insurance; the costs of aviation fuel; the costs associated with security measures and practices; competitive pressures on pricing (particularly from lower-cost competitors); government legislation and regulation; and other risks and uncertainties set forth from time to time in UAL's reports to the United States Securities and Exchange Commission. Consequently, the forward-looking statements should not be regarded as representations or warranties by the Company that such matters will be realized. The Company disclaims any intent or obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For information regarding our exposure to certain market risks, see Item 7A. Quantitative and Qualitative Disclosures About Market Risk in UAL's Annual Report on Form 10-K for the year 2003.

Interest Rate Risk -

<u>(In millions, except average contract rates)</u>	<u>Notional Amount</u>	<u>Average Contract Rate</u>	<u>Estimated Fair Value</u> (Pay)/Receive*
Interest rate swap	\$ 130	7.56%	\$ (29)

Price Risk (Aircraft Fuel) - When market conditions indicate risk reduction is achievable, United enters into fuel option contracts to reduce its price risk exposure to jet fuel. The option contracts are designed to provide protection against sharp increases in the price of aircraft fuel. As market conditions change, so may United's hedging program. During the second quarter of 2004, we began hedging future aircraft fuel purchases for 2004.

<u>(In millions, except average contract rates)</u>	<u>Notional Amount</u>	<u>Average Contract Rate</u>	<u>Estimated Fair Value</u> (Pay)/Receive*
		June 30, 2004	
Purchased call options - Heating oil	\$ 256	\$ 1.12/gal	-
Sold put options - Heating oil	\$ (219)	\$ 0.96/gal	\$ 2

*Estimated fair values represent the amount United would pay/receive on June 30, 2004 to terminate the contracts.

Item 4. Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures as of June 30, 2004. Based on that evaluation, the Company's management, including the CEO and CFO, has concluded that the Company's disclosure controls and procedures are effective. During the second quarter of 2004, there was no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

As previously reported in our Annual Report on Form 10-K for the year ended December 31, 2003, the U.S. Environmental Protection Agency and the State of California sought penalties and certain compliance program improvements from United in 2002 for alleged non-compliance with hazardous waste generator requirements at our San Francisco Maintenance Center identified in 1999 and 2001. On June 18, 2004, United agreed with the U.S. Environmental Protection Agency (represented by the Department of Justice) and the State of California to pay an \$850,000 penalty in settlement of these claims, along with an agreement to conduct a future audit of the maintenance center environmental compliance management system. This settlement agreement was approved by the Bankruptcy Court on July 23, 2004.

On July 29, 2004, the International Association of Machinists and Aerospace Workers ("IAM") and certain IAM members filed a complaint in the United States District Court for the Northern District of Illinois alleging breaches of fiduciary duty by our chairman, president and chief executive officer and certain other officers in connection with the Company's decision not to make the July 2004 pension plan contribution and the amendment to its Club Facility (see "DIP Financing" in the Notes to Consolidated Financial Statements). The complaint seeks a court order requiring the named officers to take all necessary steps to secure funding from "any available source" in order for those plans to meet their funding obligations. We believe the claims are baseless and intend to vigorously contest these allegations.

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 that immediately precedes such exhibits.

(b) Reports on Form 8-K

Form 8-K dated April 29 2004 attaching the Company's Monthly Operating Report for the period March 1, 2004 through March 31, 2004.

Form 8-K dated May 25, 2004 attaching the Company's Memorandum in Support of Debtor's Motion to Modify their Retiree Medical Benefits pursuant to Section 1114(G).

Form 8-K dated May 27, 2004 attaching the Company's Monthly Operating Report for the period April 1, 2004 through April 30, 2004.

Form 8-K dated June 14, 2004 disclosing May 2004 operating performance for the Company.

Form 8-K dated June 24, 2004 attaching the Company's Monthly Operating Report for the period May 1, 2004 through May 30, 2004.

Form 8-K dated July 14, 2004 disclosing the Company's deferral of a decision to pay the quarterly funding contributions to its pension plans, which was due July 15, 2004.

Form 8-K dated July 23, 2004 announcing the Company reached an agreement to amend its debtor-in-possession credit facility.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this quarterly report on Form 10-Q for the quarter ended June 30, 2004 to be signed on its behalf by the undersigned thereunto duly authorized on the 30th day of July 2004.

UAL CORPORATION

By: /s/ Frederic F. Brace
Frederic F. Brace
Executive Vice President and
Chief Financial Officer
(principal financial and
accounting officer)

Exhibit Index

Exhibit No. Description

4.1 Second Amendment and Limited Waiver dated March 27, 2003 to Debtor in Possession Credit Agreement dated December 24, 2002 by and among United

- Air Lines, Inc., the United subsidiaries named therein, the Lenders named therein and Bank One, NA, as agent
- 4.2 Third Amendment and Limited Waiver dated May 15, 2003 to Debtor in Possession Credit Agreement dated December 24, 2002 by and among United Air Lines, Inc., the United subsidiaries named therein, the Lenders named therein and Bank One, NA, as agent
- 4.3 Fourth Amendment and Limited Waiver dated September 30, 2003 to Debtor in Possession Credit Agreement dated December 24, 2002 by and among United Air Lines, Inc., the United subsidiaries named therein, the Lenders named therein and Bank One, NA, as agent
- 4.4 Fifth Amendment and Limited Waiver dated October 10, 2003 to Debtor in Possession Credit Agreement dated December 24, 2002 by and among United Air Lines, Inc., the United subsidiaries named therein, the Lenders named therein and Bank One, NA, as agent
- 4.5 Sixth Amendment and Limited Waiver dated May 24, 2004 to Debtor in Possession Credit Agreement dated December 24, 2002 by and among United Air Lines, Inc., the United subsidiaries named therein, the Lenders named therein and Bank One, NA, as agent
- 4.6 Fourth Amendment dated March 27, 2003 to Revolving Credit, Term Loan and Guaranty Agreement dated December 24, 2002 by and among United Air Lines, Inc., UAL Corporation, certain subsidiaries of United Air Lines, Inc. and UAL Corporation as named therein, the Lenders named therein, JP Morgan Chase Bank, Et al.
- 4.7 Fifth Amendment dated May 15, 2003 to Revolving Credit, Term Loan and Guaranty Agreement dated December 24, 2002 by and among United Air Lines, Inc., UAL Corporation, certain subsidiaries of United Air Lines, Inc. and UAL Corporation as named therein, the Lenders named therein, JP Morgan Chase Bank, Et al.
- 4.8 Sixth Amendment dated October 10, 2003 to Revolving Credit, Term Loan and Guaranty Agreement dated December 24, 2002 by and among United Air Lines, Inc., UAL Corporation, certain subsidiaries of United Air Lines, Inc. and UAL Corporation as named therein, the Lenders named therein, JP Morgan Chase Bank, Et al.
- 4.9 Seventh Amendment dated May 7, 2004 to Revolving Credit, Term Loan and Guaranty Agreement dated December 24, 2002 by and among United Air Lines, Inc., UAL Corporation, certain subsidiaries of United Air Lines, Inc. and UAL Corporation as named therein, the Lenders named therein, JP Morgan Chase Bank, Et al.
- 10.1 Letter Agreement dated May 13, 2004 between Glenn F. Tilton, UAL Corporation and United Air Lines, Inc.
- 10.2 Letter Agreement dated July 29, 2004 between Glenn F. Tilton, UAL Corporation and United Air Lines, Inc.
- 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
- 31.1 Certification of the Principal Executive Officer Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
- 31.2 Certification of the Principal Financial Officer Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
- 32.1 Certification of the Chief Executive Officer Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
- 32.2 Certification of the Chief Financial Officer Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)

**SECOND AMENDMENT TO
DEBTOR IN POSSESSION CREDIT AGREEMENT**

This Second Amendment to Debtor in Possession Credit Agreement, dated as of March 27, 2003 (this "Amendment"), is by and among United Air Lines, Inc., a Delaware corporation, as debtor and debtor in possession ("Borrower"), the Persons named in the Credit Agreement as Credit Parties, as debtors and debtors in possession, Bank One, NA, a national banking association ("Agent"), and the Persons signatory to the Credit Agreement from time to time as Lenders.

W I T N E S S E T H:

WHEREAS, Borrower, Credit Parties, Agent and Lenders have entered into that certain Debtor in Possession Credit Agreement, dated as of December 24, 2002 (as amended, restated, supplemented and otherwise modified from time to time, the "Credit Agreement"), and to certain other documents executed in connection with the Credit Agreement;

WHEREAS, Borrower and the United States of America have agreed to enter into a Stipulation for Settlement of Controversy Between the Debtors and the United States of America (the "IRS Stipulation") in substantially the form attached as Exhibit 1 hereto, pursuant to which, among other things, (w) Borrower and the Internal Revenue Service (the "IRS") agree that Borrower is currently owed approximately \$390,000,000 of various income tax refunds from IRS, (x) Borrower expects to receive, upon the approval thereof by the Bankruptcy Court, a tax refund from IRS in the approximate amount of \$365,000,000 in cash, (y) the IRS will withhold the amount of \$25,000,000 against which claims of the United States against the Borrower may be offset and (z) the United States will be permitted to setoff against such amount of \$25,000,000 the amount of \$3,200,000 as a credit toward the satisfaction of claims arising out of the Debtors' (as such term is defined in the IRS Stipulation) performance of certain subcontracts with the United States Air Force and the amount of \$687,500 in settlement of a claim by the United States Environmental Protection Agency; and

WHEREAS, in connection with the IRS Stipulation, the Borrower, the Credit Parties, Agent and Lenders have agreed that from and after the Effective Date (as hereinafter defined) of this Amendment, the Credit Agreement shall be amended as set forth herein subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. Article I of the Credit Agreement is hereby amended by inserting the following new definition in appropriate alphabetical order:

"IRS Stipulation" shall mean that certain Stipulation for Settlement of Controversy Between the Debtors and the United States of America approved by the Bankruptcy Court in March 2003."

3. Section 6.26 of the Credit Agreement is hereby amended by inserting the following new clause (xvi) at the end thereof:

"; and (xvi) a Lien in favor of the United States of America arising from the right of the Internal Revenue Service to effect a setoff or recoupment against the sum of \$25,000,000 withheld pursuant to the IRS Stipulation."

4. Section 7.6 of the Credit Agreement is hereby amended by inserting the following new clause at the end thereof:

";provided, however, that this Section 7.6 shall not apply to the sum of \$25,000,000 withheld pursuant to the IRS Stipulation."

5. Section 7.16(k) of the Credit Agreement is hereby amended in its entirety to read as follows:

"The entry of an order by the Bankruptcy Court in any of the Chapter 11 Cases granting relief from or modifying the automatic stay of Section 362 of the Bankruptcy Code (i) to allow any creditor (other than Agent and Lenders or, to the extent permitted under the Additional DIP Intercreditor Agreement, Additional DIP Lenders) to execute upon or enforce a Lien on any Collateral if, after giving effect thereto, the aggregate amount of all claims as to which such relief has been granted since the Petition Date would exceed \$10,000,000 in the aggregate (it being understood that neither (a) the relinquishment by the Credit Parties of Section 1110 Assets, or the foreclosure of security interests in Section 1110 Assets (or in property in the possession of the applicable secured party) as to which defaults have not been cured pursuant to Section 1110 of the Bankruptcy Code nor (b) the grant of relief from the automatic stay to the United States of America with respect to the sum of \$25,000,000 withheld pursuant to the IRS Stipulation to permit the payments contemplated by the IRS Stipulation, shall be included in this \$10,000,000 cap), or (ii) with respect to any Lien of, or the granting of any Lien on any Collateral to, any state or local environmental or regulatory agency or authority that could reasonably be expected to have a Material Adverse Effect."

6. Section 7.16(o) of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of clause (iv) thereof and inserting a "," in lieu thereof and (ii) inserting the following new clause (vi) at the thereof:

"and (vi) pursuant to the IRS Stipulation out of the sum of \$25,000,000 withheld pursuant to the IRS Stipulation."

7. This Amendment shall not become effective until the date (the "Effective Date") on which this Amendment shall have been executed by the Borrower, the Guarantors and the Required Lenders, and the Agent shall have received evidence satisfactory to it of such execution.

8. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

9. The Borrower agrees that its obligations set forth in Section 9.6 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of counsel to the Agent.

10. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agent or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

11. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

12. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Illinois.

[SIGNATURE PAGES TO FOLLOW]

Delivered at Chicago, Illinois, as of the day and year first above written.

BORROWER:

UNITED AIR LINES, INC., as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: Executive Vice President & CFO

LENDERS:

BANK ONE, NA

By: /s/ Patrick J. Fravel
Title: Vice President

CREDIT PARTIES:

UAL CORPORATION, as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: Executive Vice President & CFO

UAL LOYALTY SERVICES, INC.,
as debtor and debtor in possession

By: /s/ Steven M. Rasher
Title:

UAL COMPANY SERVICES, INC.,
as debtor and debtor in possession

By: /s/ Frederic F. Brace
Title: Vice President & Treasurer

FOUR STAR LEASING INC., as
debtor and debtor in possession

By: /s/ Frederic F. Brace
Title: President

AIR WIS SERVICES, INC., as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: President

UAL BENEFITS MANAGEMENT, INC., as debtor and debtor in
possession

By: /s/ Frederic F. Brace
Title: President

UNITED BIZ JET HOLDINGS, INC.,
as debtor and debtor in possession

By: /s/ Steven M. Rasher
Title:

CONFETTI, INC., as debtor and debtor
in possession

By: /s/ Steven M. Rasher
Title:

MILEAGE PLUS HOLDINGS, INC.,
as debtor and debtor in possession

By: /s/ Steven M. Rasher
Title:

MYPOINTS.COM, INC., as debtor
and debtor in possession

By: /s/ Steven M. Rasher
Title:

AIR WISCONSIN, INC., as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: President

DOMICILE MANAGEMENT SERVICES, INC., as debtor and
debtor in possession

By: /s/ Francesca M. Maher
Title: Vice President & Secretary

BIZJET CHARTER, INC., as debtor
and debtor in possession

By: /s/ Steven M. Rasher
Title:

BIZJET FRACTIONAL, INC., as
debtor and debtor in possession

By: /s/ Steven M. Rasher
Title:

BIZJET SERVICES, INC., as debtor
and debtor in possession

By: /s/ Steven M. Rasher
Title:

MILEAGE PLUS MARKETING, INC.,
as debtor and debtor in possession

By: /s/ Steven M. Rasher
Title:

CYBERGOLD, INC., as debtor
and debtor in possession

By: /s/ Steven M. Rasher
Title:

ITARGET.COM, INC., as debtor
and debtor in possession

By: /s/ Steven M. Rasher
Title:

MYPOINTS OFFLINE SERVICES, INC., as debtor and debtor in
possession

By: /s/ Steven M. Rasher
Title:

KION LEASING, INC., as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: President

PREMIER MEETING AND TRAVEL SERVICES, INC., as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: Vice President & Treasurer

UNITED AVIATION FUELS CORPORATION, as debtor and debtor
in possession

By: /s/ Frederic F. Brace
Title: Vice President

UNITED COGEN, INC., as debtor
and debtor in possession

By: /s/ Francesca M. Maher
Title: Vice President & Secretary

MILEAGE PLUS, INC., as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: Vice President

UNITED GHS, INC., as debtor
and debtor in possession

By: /s/ Frederic F. Brace
Title: President

UNITED WORLDWIDE CORPORATION, as debtor and debtor in
possession

By: /s/ Frederic F. Brace
Title: President

UNITED VACATIONS, INC., as
debtor and debtor in possession

By: /s/ Frederic F. Brace
Title: Vice President

**WAIVER AND THIRD AMENDMENT
TO DEBTOR IN POSSESSION CREDIT AGREEMENT**

WAIVER AND THIRD AMENDMENT, dated as of May 15, 2003 (the "Amendment"), to the Debtor in Possession Credit Agreement, dated as of December 24, 2002, among United Air Lines, Inc., a Delaware corporation as debtor and debtor in possession ("Borrower"), the Persons named in the Credit Agreement as Credit Parties as debtors and debtors in possession, Bank One, NA, a national banking association in its capacity as Agent for the Lenders ("Agent"), and the Persons signatory to the Credit Agreement from time to time as Lenders.

W I T N E S S E T H:

WHEREAS, Borrower, Credit Parties, Agent and Lenders have entered into that certain Debtor in Possession Credit Agreement, dated as of December 24, 2002 (as amended, restated, supplemented and otherwise modified from time to time, the "Credit Agreement"), and to certain other documents executed in connection with the Credit Agreement; and

WHEREAS, the Borrower and the other Credit Parties have requested that from and after the Effective Date (as hereinafter defined) of this Amendment, the Credit Agreement shall be amended as set forth herein subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. **Waivers.** The Lenders hereby waive any Event of Default under Sections 7.1, 7.3(a), 7.4 and 7.13 of the Credit Agreement or the occurrence of any event which with the passage of time or giving of notice or both would constitute an Event of Default under Sections 7.1, 7.3(a), 7.4 and 7.13 of the Credit Agreement as a result of each of the following which may occur or be continuing up to and immediately preceding the Effective Date of this Amendment: (i) the Borrower's failure to make certain principal and interest payments in connection with certain Section 1110 Assets; (ii) the Borrower's increase in Indebtedness as a result of refinancing Indebtedness directly or indirectly secured by Section 1110 Assets, whereby the interest expense, if any, on scheduled payments was deferred as a result of such refinancing and not paid currently, but capitalized as principal and, as a result, the principal amount of such existing Indebtedness is increased (but any such increase is limited to the extent of such capitalized interest), (iii) the Borrower's increase in Indebtedness as a result of refinancing Indebtedness directly or indirectly secured by Section 1110 Assets where such refinancing increased the principal amount of such refinanced Indebtedness but the overall effect when considering other Indebtedness impacted thereby was (x) to not increase the aggregate amount of existing Indebtedness secured directly or indirectly by Section 1110 Assets or (y) a net reduction in the present value of the interest and other financing expenses in connection with all such Indebtedness by an amount equal to or greater than the increase in principal (provided all such Indebtedness was not granted a superpriority administrative expense claim status pursuant to Section 364(c)(1) of the Bankruptcy Code); (iv) the Borrower's failure to (x) provide the 45-day notice required by Section 6(c)(iii) of the SGR Security Agreement for the discontinuation or material modification of service on any Route and the 60-day notice required by Section 6(c)(iii) of the SGR Security Agreement for the suspension of service on Primary Routes in connection with the temporary suspension of service on the Routes reflected on Schedule 2 attached hereto for the periods set forth on such Schedule and (y) to the extent such provisions are applicable, comply, as a result of such temporary suspension, with any provisions of the Credit Agreement, including, but not limited to, the affirmative covenants set forth in Sections 6.14 and 6.15 of the Credit Agreement with respect to Primary Foreign Slot utilization and Primary Route and Supporting Route Facilities utilization, respectively; (v) the financing of certain insurance premiums by any Credit Party in an aggregate amount not to exceed \$20,000,000 and (vi) the creation of Liens on fuel inventory (and the proceeds thereof) securing Indebtedness permitted pursuant to Section 6.22(vi) and (vii) in an amount not to exceed \$50,000,000. The Lenders also hereby waive the Event of Default under Section 7.5 of the Credit Agreement as a result of the occurrence of corresponding defaults under the Additional DIP Credit Agreement, provided that the waiver set forth in this sentence shall not become effective until such similar defaults under the Additional DIP Credit Agreement have been waived and Agent has received evidence satisfactory to it of such waiver.

3. **Consent to Suspension of Routes.** (a) Notwithstanding anything to the contrary in the Credit Agreement and the SGR Security Agreement, the Lenders hereby consent to the temporary suspension of service on the Primary Routes reflected on Schedule 2, including the corresponding non-use of the Supporting Route Facilities relating to such Primary Routes, for the periods set forth on such Schedule.

(b) Notwithstanding anything to the contrary in the Credit Agreement and the SGR Security Agreement, the Lenders hereby consent to the reduced utilization of the Primary Foreign Slots reflected on Schedule 3(b) attached hereto for the period set forth on such Schedule as a result of the temporary suspension of service on the Primary Routes consented to in paragraph 3(a) of this Amendment.

(c) The Lenders hereby authorize the Agent to execute an amendment to the SGR Security Agreement, substantially in the form of Exhibit A attached hereto.

4. **Amendment to Section 6.5.** Section 6.5 of the Credit Agreement is hereby amended by inserting the following proviso at the end thereof:

"; provided, however, that this Section 6.5 shall not be construed to require the Borrower to pay any obligation arising under any agreement with respect to Section 1110 Assets unless the Borrower is compelled by the Bankruptcy Court to make such payment (it being understood that the Borrower shall deliver to the Agent, as soon as available, but no later than 15 days after the end of each fiscal month, a report setting forth, for the immediately preceding month, all payments not made under any Section 1110 Asset agreements that have not yet been rejected)."

5. Amendment to Section 6.26. Section 6.26 of the Credit Agreement is hereby amended by (A) amending clause (xiv) thereof in its entirety as follows:

"(xiv) Liens on cash collateral and fuel inventory (and the proceeds thereof) or Letters of Credit (as defined in the Additional DIP Credit Agreement) in an aggregate amount not in excess of \$50,000,000 for all of such cash, fuel and Letters of Credit securing Indebtedness permitted pursuant to Section 6.22(vi) and (vii);" ; and

(B) inserting the following new clause at the end thereof:

"; and (xvi) Liens on any Credit Party's right to receive a refund of unearned insurance premiums the payment of which is financed by Indebtedness permitted pursuant to Section 6.22(xv) granted in order to secure the Borrower's obligation in respect of such Indebtedness."

6. Amendment to Section 6.22. Section 6.22 of the Credit Agreement is hereby amended by (A) amending clause (ix) thereof by inserting the following text at the end of sub-clause (A) appearing therein:

"unless (1) the interest expense, if any, on any scheduled payments of such existing Indebtedness that is deferred as a result of such refinancing is not paid currently but is capitalized as principal, and, as a result, the principal amount of such existing Indebtedness is increased (but any such increase shall be limited to the extent of such capitalized interest) or (2) such refinancing increases the principal amount of such refinanced Indebtedness but the overall effect when considering other Indebtedness impacted thereby is (i) to not increase the aggregate amount of existing Indebtedness secured directly or indirectly by "equipment" described in Section 1110(a)(3) of the Bankruptcy Code, or (ii) a net reduction in the present value of the interest and other financing expenses in connection with all such Indebtedness by an amount equal to or greater than the increase in principal (it being understood that any such Indebtedness shall not be granted superpriority administrative expense claim status pursuant to Section 364(c)(1) of the Bankruptcy Code,";

(B) deleting the word "and" appearing at the end of clause (xiii); and (C) inserting the following new clause at the end thereof:

"; and (xv) Indebtedness of any Credit Party owed to one or more Persons in connection with the financing of certain insurance premiums in an aggregate amount not to exceed \$20,000,000."

7. Notice. Schedule A of the Credit Agreement is hereby amended by inserting the following text at the end of Schedule A:

"To the Agent:

Bank One, NA
120 South LaSalle Street
Chicago, Illinois 60603
Attention: Patrick J. Fravel/United Air Lines, Inc."

8. Conditions to Effectiveness. This Amendment shall not become effective until the date (the "Effective Date") on which (i) this Amendment shall have been executed by the Borrower, the other Credit Parties and the Required Lenders, and the Agent shall have received evidence satisfactory to it of such execution and (ii) the Borrower shall have received approval from the Bankruptcy Court authorizing both the effectiveness of this Amendment and the payment within one Business Day after obtaining Bankruptcy Court approval of an amendment fee in an amount equal to \$300,000 by the Borrower to the Agent for the respective account of each Lender that has executed and delivered to the Agent a counterpart of this Amendment by not later than 5:00 p.m. (New York City time) on May 30, 2003; provided that the date of such approval from the Bankruptcy Court shall be no later than June 20, 2003; provided further that notwithstanding the occurrence of the Effective Date, the effect of this Amendment shall terminate and be of no further force or effect if such amendment fee shall not have been paid in cash to the Agent within one Business Day after entry of the order referred to above.

9. Ratification. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

10. Costs and Expenses. The Borrower agrees that its obligations set forth in Section 9.6 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Agents.

11. References. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agents or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

12. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A fax copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

13. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Illinois.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Waiver and Third Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

CREDIT PARTY:

UAL CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

CREDIT PARTY:

UAL LOYALTY SERVICES, INC.

By: /s/ Steven M. Rasher
Name:
Title:

CREDIT PARTY:

UAL COMPANY SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

CREDIT PARTY:

CONFETTI, INC.

By: /s/ Steven M. Rasher
Name:
Title:

CREDIT PARTY:

MILEAGE PLUS HOLDINGS, INC.

By: /s/ Steven M. Rasher

Name:

Title:

CREDIT PARTY:

MILEAGE PLUS MARKETING, INC.

By: /s/ Steven M. Rasher

Name:

Title:

CREDIT PARTY:

MYPOINTS.COM, INC.

By: /s/ Steven M. Rasher

Name:

Title:

CREDIT PARTY:

CYBERGOLD, INC.

By: /s/ Steven M. Rasher

Name:

Title:

CREDIT PARTY:

ITARGET.COM, INC.

By: /s/ Steven M. Rasher

Name:

Title:

CREDIT PARTY:

MY POINTS OFFLINES SERVICES, INC.

By: /s/ Steven M. Rasher

Name:

Title:

CREDIT PARTY:

UAL BENEFITS MANAGEMENT, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

CREDIT PARTY:

UNITED BIZ JET HOLDINGS, INC.

By: /s/ Steven M. Rasher

Name:

Title:

CREDIT PARTY:

BIZJET CHARTER, INC.

By: /s/ Steven M. Rasher
Name:
Title:

CREDIT PARTY:

BIZJET FRACTIONAL, INC.

By: /s/ Steven M. Rasher
Name:
Title:

CREDIT PARTY:

BIZJET SERVICES, INC.

By: /s/ Steven M. Rasher
Name:
Title:

CREDIT PARTY:

KION LEASING, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

**PREMIER MEETING AND TRAVEL SERVICES,
INC.**

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

CREDIT PARTY:

UNITED AVIATION FUELS CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

CREDIT PARTY:

UNITED COGEN, INC.

By: /s/ Francesca M. Maher
Name: Francesca M. Maher
Title: Senior Vice President
General Counsel and Secretary

CREDIT PARTY:

MILEAGE PLUS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

CREDIT PARTY:

UNITED GHS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

UNITED WORLDWIDE CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

UNITED VACATIONS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

CREDIT PARTY:

FOURSTAR LEASING, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

AIR WIS SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

AIR WISCONSIN, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

DOMICILE MANAGEMENT SERVICES, INC.

By: /s/ Francesca M. Maher
Name: Francesca M. Maher
Title: Senior Vice President
General Counsel and Secretary

LENDERS:

BANK ONE, NA

By: /s/ Patrick J. Fravel
Name: Patrick J. Fravel
Title: Vice President

**LIMITED WAIVER AND FOURTH AMENDMENT TO
DEBTOR IN POSSESSION CREDIT AGREEMENT**

LIMITED WAIVER AND FOURTH AMENDMENT, dated as of September 30, 2003 (the "Amendment"), to the Debtor in Possession Credit Agreement, dated as of December 24, 2002, among United Air Lines, Inc., a Delaware corporation as debtor and debtor in possession ("Borrower"), the Persons named in the Credit Agreement as Credit Parties as debtors and debtors in possession, Bank One, NA, a national banking association in its capacity as Agent for the Lenders ("Agent"), and the Persons signatory to the Credit Agreement from time to time as Lenders.

W I T N E S S E T H:

WHEREAS, Borrower, Credit Parties, Agent and Lenders have entered into that certain Debtor in Possession Credit Agreement, dated as of December 24, 2002 (as amended, restated, supplemented and otherwise modified from time to time, the "Credit Agreement"), and to certain other documents executed in connection with the Credit Agreement; and

WHEREAS, the Borrower and the other Credit Parties have requested that from and after the Effective Date (as hereinafter defined) of this Amendment, the Credit Agreement shall be amended as set forth herein subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. All terms used but not defined herein shall have the same meanings assigned to them in the Credit Agreement.

2. Limited Waiver.

(a) Agent and Lenders hereby waive any Default or Unmatured Default under Sections 7.3(a), 7.3(b), 7.5, 7.13, 7.14 and 7.18 of the Credit Agreement to the extent and solely to the extent arising from Borrower's failure to comply with (i) Sections 6.14, 6.15 and 6.24(xi) of the Credit Agreement, (ii) Sections 6(a)(ii), 6(c)(i), 6(c)(ii), 6(c)(iii), 6(e), 6(f)(x)(i), 6(f)(x)(ii) and 6(f)(x)(iii), 6(g) of that certain Slot, Gate and Route Security and Pledge Agreement dated as of December 24, 2002 made by Borrower to Agent and (iii) the terms of the Additional DIP Credit Agreement, in each case solely as a result of: (A) the permanent transfer by the Borrower to British Airways PLC ("BA") of the four year round Primary Foreign Slots identified on Schedule I hereto (the "Transferred Slots") in two phases, the first transaction to be consummated on or about October 7, 2003 (the "First Transfer") and the second transaction to be consummated on or about November 8, 2003 (the "Second Transfer"; collectively, with the First Transfer, the "Slot Transfers"), in exchange for the slots described on Schedule I ("New Slots") and cash payments of no less than \$23 million in the aggregate and (B) the Borrower's return of the New Slots to the slot coordinator for London Heathrow Airport.

(b) This limited waiver shall be limited precisely as written and shall not be deemed or otherwise construed to (i) constitute a waiver of any other Unmatured Default or Default or (ii) prejudice any right, power or remedy which Agent or Lenders may now have or may have in the future under or in connection with the Credit Agreement or any other Loan Document (after giving effect to this Amendment).

3. Amendment.

(a) Article I of the Credit Agreement is hereby amended by inserting the following new definitions in appropriate alphabetical order:

"Exchanged Slots" means the following four year round Primary Foreign Slots located at London Heathrow Airport:

Winter

<u>Flt #</u>	<u>Time</u>	<u>Seats</u>	<u>Equip.</u>	<u>M</u>	<u>T</u>	<u>W</u>	<u>T</u>	<u>F</u>	<u>S</u>	<u>S</u>
UA956 (Arr)	0650	258	B777-200	1	1	1	1	1	1	1
UA976 (Arr)	2005	258	B777-200	1	1	1	1	1	1	1
UA958 (Dep)	0830	193	B767-300	1	1	1	1	1	1	1
UA999 (Dep)	0915	258	B777-200	1	1	1	1	1	1	1

Summer

UA906 (Arr)	0730	258	B777-200	1	1	1	1	1	1	1
UA949 (Arr)	1005	193	B767-300	1	1	1	1	1	1	1
UA958 (Dep)	0840	193	B767-300	1	1	1	1	1	1	1
UA955 (Dep)	0900	258	B777-200	1	1	1	1	1	1	1

"Slot Coordinator" means the slot coordinator at London Heathrow Airport."

"Slot Transactions" means the transfer by the Borrower of the Exchanged Slots to British Airways PLC in two phases, the first transaction to be consummated on or about October 7, 2003 and the second transaction to be consummated on or about November 8, 2003 in exchange for Transaction Replacement Slots and cash payments of no less than \$23 million in the aggregate."

"Transaction Replacement Slots" means the following four Foreign Slots:

Winter

<u>Flight #</u>	<u>Time</u>	<u>M</u>	<u>T</u>	<u>W</u>	<u>Th</u>	<u>F</u>	<u>S</u>	<u>S</u>
BA 360Z (Dep)	2315	1	1	1	1	1	1	1
BA 846Z (Dep)	2315	1	1	1	1	1	1	1
BA 106Z (Arr)	2300	1	1	1	1	1	1	1
BA 1315Z (Arr)	2300	1	1	1	1	1	1	1

Plus, as it is customary business practice to permanently transfer the pairs of slots for each season together so the transferee is guaranteed the opportunity to operate year round, in exchange for the identified Exchanged Slots, the transferee will transfer slots to the Borrower which it has proposed to the satisfaction of the Borrower. The Second Exchange will not be identified until the time of exchange.

(b) Section 6.14 of the Credit Agreement is hereby amended to (i) insert the phrase "Except with respect to the Exchanged Slots," immediately before the phrase "The Borrower shall" in the first line thereof and (ii) delete the word "The" immediately preceding the word "Borrower" in the first line and insert "the" in place thereof.

(c) Section 6.15 of the Credit Agreement is hereby amended to (i) insert the phrase "Except, upon their return to the Slot Coordinator, with respect to the Transaction Replacement Slots," immediately before the phrase "The Borrower and each Credit Party shall" in the first line thereof and (ii) delete the word "The" immediately preceding the word "Borrower" in the first line and insert "the" in place thereof.

(d) Section 6.24 of the Credit Agreement is hereby amended to (i) delete the "and" immediately preceding the "(xiii)" in the last line thereof and (ii) insert the following immediately preceding the final "." in the last line thereof: "; and (xix) the disposition of the Exchanged Slots pursuant to the Slot Transactions and the possible return of the Transaction Replacement Slots to the Slot Coordinator".

(e) Schedule 1.1(a) is hereby amended and restated in its entirety to read as set forth on Exhibit A hereto.

4. Further Agreements.

(a) The Borrower and the Lenders also agree that (i) the Borrower is authorized to transfer the Transferred Slots to be transferred to British Airways PLC ("BA") pursuant to the Slot Transfers free and clear of the Liens created by the Loan Documents, (ii) upon the closing of each transfer of Transferred Slots transferred to BA pursuant to the Slot Transfers and simultaneously with such closing, all Liens created by the Loan Documents on the Transferred Slots so transferred shall be deemed released and (iii) the Agent is hereby authorized to, and shall, execute such documents and take such further action as may be reasonably requested by BA from time to time to effect and evidence the releases described in clause (ii) above.

(b) Notwithstanding anything in this Amendment to the contrary, the Borrower and each of the Lenders covenant and agree that if BA is required to return to the Borrower any of the Transferred Slots for which BA has made a payment (such Transferred Slots required to be returned being referred to herein as the "Returned Slots"), then the status quo as of the date of this Amendment with respect to the Returned Slots shall be restored, and to that effect, (x) the Borrower shall be obligated to return to BA the purchase price paid by BA for such Returned Slots pursuant to the Slot Transfers (it being expressly recognized that neither the Agent nor any of the Lenders shall have any responsibility with respect to such return of the purchase price) and (y) the Returned Slots shall again be subject to the Liens created by the Loan Documents.

(c) The Borrower and the Lenders agree that BA is a third-party beneficiary of this Amendment and shall be entitled to enforce the agreements of the Borrower and the Lenders contained in this Amendment as the same affect or relate to BA to the same extent as if BA was a party hereto.

(d) On the respective dates of the First Transfer and the Second Transfer, BA, the transferee of the Transferred Slots, will deposit 100% of the amounts owed to the Borrower with respect to the Slot Transfers consummated on that date into an escrow account (the "Escrow") under the control of a third party pursuant to an escrow agreement (the "Escrow Agreement") among BA, the Borrower and the escrow agent thereunder that is reasonably satisfactory to the Agent. Upon the release to the Borrower of the net proceeds of the Slot Transfers (which amount will exclude any User Payments (as hereinafter defined)), if any, permitted to be withdrawn from the Escrow by the Borrower under certain circumstances in respect of BA's use of the Transferred Slots pursuant to the terms of the slot exchange agreement described in paragraph (e)(iii) below) held pursuant to the Escrow at any time when any Loans remain outstanding under the Credit Agreement, 100% of such released funds shall be used to prepay the Loans in accordance with Section 2.13(e) of the Additional DIP Credit Agreement that is applicable to the proceeds of permitted asset dispositions; it being understood that the Borrower's rights to receive the funds maintained in the escrow account pursuant to the Escrow are subject to the second priority Lien granted to the Agent pursuant to the Orders.

(e) The Borrower hereby advises the Lenders that the terms of the Escrow Agreement and the slot exchange agreement with BA that the Borrower has agreed to provide are as follows:

(i) the proceeds of the Slot Transfers will be maintained in an escrow account until the earlier of (i) one year from the date of the Second Transfer (unless a legal challenge has been threatened or commenced in relation to any of the Slot Transfers, in which case the proceeds will be retained in the Escrow until the final disposition of such challenge) or (ii) the date (the "Bankruptcy Case Termination Date") upon which the last of each of the following shall have occurred: (x) an order confirming Borrower's Plan of Reorganization is entered and becomes final or, if there is an appeal, such order shall not have been stayed pending appeal; (y) the substantial consummation of such Plan of Reorganization (as defined in section 1101(2) of the Bankruptcy Code); and (z) a reorganized entity shall have been created by the Borrower's plan of reorganization and such entity shall have succeeded to the Borrower's business and operations pursuant thereto; but, for the avoidance of doubt, the term Bankruptcy Case Termination Date shall not include a liquidating plan pursuant to Chapter 7 or 11 of the Bankruptcy Code;

(ii) prior to the release of the funds from the escrow account, the following conditions also must be satisfied: (i) each of Borrower and each reorganized entity operating Borrower's business or formed pursuant to a Chapter 11 Plan of Reorganization has, on the Bankruptcy Case Termination Date, agreed in writing to be bound by Borrower's obligations under the slot exchange agreement with BA, and (ii) none of (x) Borrower, the debtors or any of their affiliates; (y) any creditor committee in Borrower's Chapter 11 Cases; nor (z) any trustee, examiner, liquidator or other similar representative appointed or approved by the Bankruptcy Court in Borrower's Chapter 11 Cases has commenced or joined in the prosecution or assertion of any challenge;

(iii) in the event that funds remain in the Escrow for more than one year after the date of the Second Transfer as a result of a challenge to the Slot Transfers, the Borrower shall be permitted to withdraw from the Escrow a "user payment" in respect of BA's use of (i) the winter slots during each winter season commencing with the winter season 2004-2005 and (ii) the summer slots during each summer season commencing with the summer season 2004 (such amounts being referred to herein as "User Payments"), provided that (x) if BA is thereafter required to return to the Borrower any Transferred Slots or Equivalent Slots (as hereinafter defined), the Borrower will be entitled to retain any User Payments relating to such Transferred Slots and the remaining purchase price for such Transferred Slots (less such User Payments) will be repaid to BA from the Escrow and (y) if the Borrower thereafter becomes entitled to receive the purchase price for the Transferred Slots from the Escrow, the Borrower will be entitled to receive only the portion of the purchase price for such Transferred Slots remaining after deducting the amount of any User Payments previously withdrawn from the Escrow by the Borrower in respect of such Transferred Slots;

(iv) if any portion of the Slot Transfers is rescinded, (i) the funds held in the Escrow with respect to the specific Slot Transfer rescinded will be returned to BA less any User Payments described in paragraph (iii) above (or, if such rescission occurs after such funds have been released to the Borrower, BA will be entitled to receive a refund of the amount of such proceeds from the Borrower (less any User Payments described in paragraph (iii) above), it being expressly recognized that neither the Agent nor any of the Lenders shall have any responsibility with respect to such refund) and (ii) (x) the Transferred Slots with respect to the specific Slot Transaction rescinded or (y) slots (the "Equivalent Slots") which meet the following criteria: (a) they are of the same type (i.e., arrival or departure) as the Transferred Slots; (b) they fall on the same days of operation as the Transferred Slots; (c) they are no more than ten (10) minutes before or after the Transferred Slots; and (d) they fall within the same half hour segment, where each hour is divided into two half hour segments, as the Transferred Slots, will be returned to the Borrower; and

(v) the Borrower will be entitled to receive interest on the amounts held in the Escrow, which amounts will be paid to the Borrower from time to time as provided in the Escrow Agreement.

(f) By their execution and delivery hereof, the Lenders hereby agree to the waivers and amendments requested herein, subject to the creation of the Escrow and the Borrower agreeing to make the prepayments described in Section 4(d) hereof.

5. Conditions to Effectiveness. This Amendment shall not become effective until the date (the "Effective Date") on which (a) this Amendment shall have been executed by the Borrower, the other Credit Parties and the Required Lenders, and the Agent shall have received evidence satisfactory to it of such execution and (b) the Borrower shall have entered into an amendment containing similar provisions with respect to the Additional DIP Credit Agreement.

6. Ratification. The Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

7. Costs and Expenses. The Borrower agrees that its obligations set forth in Section 9.6 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Agent.

8. References. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agents or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

9. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken

together shall constitute but one and the same instrument. A fax copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

10. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Illinois.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

CREDIT PARTY:

UAL CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

CREDIT PARTY:

UAL LOYALTY SERVICES, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

UAL COMPANY SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

CREDIT PARTY:

CONFETTI, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

MILEAGE PLUS HOLDINGS, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

MILEAGE PLUS MARKETING, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

MYPOINTS.COM, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

CYBERGOLD, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

ITARGET.COM, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

MYPOINTS OFFLINE SERVICES, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

UAL BENEFITS MANAGEMENT, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

UNITED BIZ JET HOLDINGS, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

BIZJET CHARTER, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

BIZJET FRACTIONAL, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

BIZJET SERVICES, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President
General Counsel and Secretary

CREDIT PARTY:

KION LEASING, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

**PREMIER MEETING AND TRAVEL SERVICES,
INC.**

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

CREDIT PARTY:

UNITED AVIATION FUELS CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

CREDIT PARTY:

UNITED COGEN, INC.

By: /s/ Paul R. Lovejoy
Name: Paul R. Lovejoy
Title: Vice President & Secretary

CREDIT PARTY:

MILEAGE PLUS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

CREDIT PARTY:

UNITED GHS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Secretary

CREDIT PARTY:

UNITED WORLDWIDE CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

UNITED VACATIONS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

CREDIT PARTY:

FOUR STAR LEASING, INC.

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Title: President

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AIR WIS SERVICES, INC.

By: /s/ Frederic F. Brace
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Title: President

CREDIT PARTY:

AIR WISCONSIN, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

CREDIT PARTY:

DOMICLE MANAGEMENT SERVICES, INC.

By: /s/ Paul R. Lovejoy
Name: Paul R. Lovejoy
Title: Vice President and Secretary

LENDERS:

BANK ONE, NA

By: /s/ Patrick J. Fravel
Name: Patrick J. Fravel
Title: Associate Director

**LIMITED WAIVER AND FIFTH AMENDMENT TO
DEBTOR IN POSSESSION CREDIT AGREEMENT**

LIMITED WAIVER AND FIFTH AMENDMENT, dated as of October 10, 2003 (the "Amendment"), to the Debtor in Possession Credit Agreement, dated as of December 24, 2002, among United Air Lines, Inc., a Delaware corporation as debtor and debtor in possession ("Borrower"), the Persons named in the Credit Agreement as Credit Parties as debtors and debtors in possession, Bank One, NA, a national banking association in its capacity as Agent for the Lenders ("Agent"), and the Persons signatory to the Credit Agreement from time to time as Lenders.

W I T N E S S E T H:

WHEREAS, Borrower, Credit Parties, Agent and Lenders have entered into that certain Debtor in Possession Credit Agreement, dated as of December 24, 2002 (as amended, restated, supplemented and otherwise modified from time to time, the "Credit Agreement"), and to certain other documents executed in connection with the Credit Agreement; and

WHEREAS, the Borrower and the other Credit Parties have requested that from and after the (i) Waiver and Fuel Agreement Effective Date (as hereinafter defined), the Lenders agree to waive the Events of Default described in paragraph 2 hereof and consent to the amendments set forth in paragraphs 3(A), 5(D), 7 and 8 hereof and (ii) Amendment Effective Date (as hereinafter defined), the Credit Agreement be amended as set forth in paragraphs 3(B), 4, 5(A), 5(B), 5(C) and 6 hereof, subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. Waivers. The Lenders hereby waive any Default under (i) Section 7.13 of the Credit Agreement or any Unmatured Default under Section 7.13 of the Credit Agreement solely as a result of the Borrower's failure to provide the 14-day notice required by Section 6(c)(iii) of the SGR Agreement for the discontinuation or material modification of service on any Route in connection with discontinuation of service on the San Francisco/Taipei Route as set forth on Schedule 1 attached hereto and (ii) Section 7.5 of the Credit Agreement solely as a result of the occurrence of any corresponding default under the Additional DIP Credit Agreement, provided that the waiver set forth in this sentence shall not become effective until any such similar default under the Additional DIP Credit Agreement has been waived and Agent has received evidence satisfactory to it of such waiver.

3. Amendment to Article I. Article I of the Credit Agreement is hereby amended by (A) inserting the following new definitions in the appropriate alphabetical order:

"Jet Fuel Supply Agreement" shall mean that certain Jet Fuel Supply Agreement, dated as of October ____, 2003, as it may be amended from time to time in accordance with Section 6.37 hereof, among the Borrower, UAFC and MSCG, pursuant to which MSCG will supply jet fuel for the Borrower's domestic operations, will assume certain of the Borrower's and UAFC's existing supply and third-party sale agreements and will sublease certain of the Borrower's and UAFC's existing infrastructure agreements.

"MSCG" shall mean Morgan Stanley Capital Group Inc.

"UAFC" shall mean United Aviation Fuels Corporation.

and (B) inserting the following new definition in the appropriate alphabetical order:

"Orbitz" shall have the meaning set forth in Section 6.25 hereof.

4. Amendment to Section 6.22. Section 6.22 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xiv), (B) deleting the period at the end of clause (xv) and (C) inserting the following new clause at the end thereof:

"; and (xvi) the restructuring of certain Indebtedness owed to Export Development Canada secured by Liens on five (5) flight simulators (in connection and concurrently with the refinancing of certain Indebtedness that is secured by two 757 aircraft, which refinancing is permitted by clause (ix) of this Section) pursuant to which principal payments will be deferred until August 1, 2004 (with principal payments to be made every February and August thereafter according to an agreed upon amortization) and accrued and unpaid interest will be paid upon the closing of such restructuring and in February 2004 and thereafter on any dates on which a principal payment is made (it being understood that any such restructured Indebtedness may not be granted status as a superpriority administrative expense claim pursuant to Section 364(c)(1) of the Bankruptcy Code)."

5. Amendment to Section 6.24. Section 6.24 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xviii), (B) deleting the period at the end of clause (xix) and (C) inserting the following new clause (xx) at the end thereof:

"; (xx) the sale or other disposition by the Borrower of (A) 100% of the ownership interests which it holds in Hotwire, Inc. for net cash proceeds of no less than \$80,000,000 and (B) the sale or other disposition by the Borrower of a portion of the ownership interests which it holds in Orbitz in a public offering of the common stock of Orbitz for cash proceeds of no less than \$26,000,000, provided, that 100% of such net cash proceeds of each disposition permitted by this clause 6.24(xx) shall be applied as a prepayment of the "Loans" under the Additional DIP Credit Agreement in accordance with Section 2.13(e) of the Additional DIP Credit Agreement;"

and (D) inserting the following new clause (xxi) immediately thereafter:

"and (xxi) the assignment of local supply agreements, bulk supply agreements and third-party sale agreements, the sublease of infrastructure agreements and the transfer of historical pipeline capacity in each case as contemplated under the Jet Fuel Supply Agreement."

6. Amendment to Section 6.25. Section 6.25 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xiii), (B) deleting the period at the end of clause (xiv) and (C) inserting the following new clauses at the end thereof:

"; (xv) following the distribution of ULS's ownership interests in Orbitz, Inc. and Orbitz, LLC (together, "Orbitz") to the Parent, the Parent may transfer such ownership interests in Orbitz to the Borrower through a capital contribution in connection with the sale of such ownership interests permitted by Section 6.24(xx); and (xvi) additional capital contributions by the Parent to the Borrower."

7. Amendment to Section 6.26. Section 6.26 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xvi), (B) deleting the period at the end of clause (xvii) and (C) inserting the following new clause at the end thereof:

"and (xviii) Liens on cash in an aggregate amount not in excess of \$18,000,000 representing a deposit securing the obligations of the Borrower and UAFC under the Jet Fuel Supply Agreement."

8. Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by adding the following new Section 6.37:

"6.37 Modification of Jet Fuel Supply Agreement. Enter into or permit any material amendment or modification to the Jet Fuel Supply Agreement that would materially and adversely affect the interests of the Lenders."

9. Condition to Waiver and Fuel Agreement Effective Date. The waivers set forth in paragraph 2 hereof and the consents to the amendments set forth in paragraphs 3(A), 5(D), 7 and 8 hereof shall not become effective until the date (the "Waiver and Fuel Agreement Effective Date") on which this Amendment shall have been executed by the Borrower, the other Credit Parties and the Required Lenders, and Agent shall have received evidence satisfactory to it of such execution.

10. Conditions to Amendment Effective Date. The amendments set forth in paragraphs 3(B), 4, 5(A), 5(B), 5(C) and 6 of this Amendment shall not become effective until the date (the "Amendment Effective Date") on which (i) this Amendment shall have been executed by the Borrower, the other Credit Parties and the Required Lenders, and Agent shall have received evidence satisfactory to it of such execution, (ii) the Bankruptcy Court shall have entered an order satisfactory in form and substance to the Agent authorizing the payment by no later than October 27, 2003 by the Borrower to the Agent for the respective account of each Lender that has executed and delivered to each Agent a counterpart of this Amendment by not later than 5:00 p.m. (New York City time) on October 10, 2003, an amendment fee in an amount equal to 1/10 of 1% of such Lender's Commitment on October 10, 2003, and (iii) such amendment and other fees referred to above shall have been paid in cash to the Agent within one Business Day after entry of the order referred to above (it being understood and agreed that the fees referred to in clause (ii) are being paid in consideration of all of the waivers and amendments set forth herein).

11. Ratification. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

12. Costs and Expenses. The Borrower agrees that its obligations set forth in Section 9.6 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Agent.

13. References. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agent or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

14. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A fax copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

15. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Illinois.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President
and Chief Financial Officer

GUARANTOR:

UAL CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President
and Chief Financial Officer

GUARANTOR:

UAL LOYALTY SERVICES, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

UAL COMPANY SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

GUARANTOR:

CONFETTI, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

MILEAGE PLUS HOLDINGS, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

MILEAGE PLUS MARKETING, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

MYPOINTS.COM, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

CYBERGOLD, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

ITARGET.COM, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

MYPOINTS OFFLINE SERVICES, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

UAL BENEFITS MANAGEMENT, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED BIZ JET HOLDINGS, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

BIZJET CHARTER, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

BIZJET FRACTIONAL, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

BIZJET SERVICES, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

KION LEASING, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

PREMIER MEETING AND TRAVEL SERVICES,

INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President and Treasurer

GUARANTOR:

UNITED AVIATION FUELS CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

UNITED COGEN, INC.

By: /s/ Paul R. Lovejoy
Name: Paul R. Lovejoy
Title: Vice President and Secretary

GUARANTOR:

MILEAGE PLUS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

GUARANTOR:

UNITED GHS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

GUARANTOR:

UNITED WORLDWIDE CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

GUARANTOR:

UNITED VACATIONS, INC.

By: Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

GUARANTOR:

FOUR STAR LEASING, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

GUARANTOR:

AIR WIS SERVICES, INC.

By: Frederic F. Brace
Name: Frederic F. Brace
Title: President

GUARANTOR:

AIR WISCONSIN, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

DOMICILE MANAGEMENT SERVICES, INC.

By: /s/ Paul R. Lovejoy

Name: Paul R. Lovejoy

Title: Vice President and Secretary

LENDERS:

BANK ONE, NA,

By: /s/ Patrick J. Fravel

Name: Patrick J. Fravel

Title: Associate Director

**SIXTH AMENDMENT TO
DEBTOR IN POSSESSION CREDIT AGREEMENT**

SIXTH AMENDMENT, dated as of May 24, 2004 (the "Amendment"), to the Debtor in Possession Credit Agreement, dated as of December 24, 2002, among United Air Lines, Inc., a Delaware corporation as debtor and debtor in possession ("Borrower"), the Persons named in the Credit Agreement as Credit Parties as debtors and debtors in possession, Bank One, NA, a national banking association in its capacity as Agent for the Lenders ("Agent"), and the Persons signatory to the Credit Agreement from time to time as Lenders.

W I T N E S S E T H:

WHEREAS, Borrower, Credit Parties, Agent and Lenders have entered into that certain Debtor in Possession Credit Agreement, dated as of December 24, 2002 (as amended, restated, supplemented and otherwise modified from time to time, the "Credit Agreement"), and to certain other documents executed in connection with the Credit Agreement; and

WHEREAS, the Borrower and the other Credit Parties have requested that from and after the Effective Date (as hereinafter defined), the Credit Agreement be amended as set forth in paragraphs 2 through 14 hereof, subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.
2. Amendment to Article I. Article I of the Credit Agreement is hereby amended by:

(A) deleting the definition of each of the following terms: "Aircraft Mortgage", "Applicable Margin", "Flight Simulators", "Foreign Aviation Authorities", "Foreign Slot", "Orders", and "Supporting Route Facilities" appearing therein, and inserting the following new definitions in appropriate alphabetical order:

"Aircraft Mortgage" shall mean that "Aircraft Mortgage" as defined in Section 4.1(xxvii), as the same may be amended, modified, supplemented, extended or restated from time to time.

"Applicable Margin" means, with respect to a Loan of any Type at any time, the following rate per annum: (a) 4.50% per annum, with respect to a Floating Rate Loan, and (b) 5.50% per annum, with respect to a Eurodollar Loan; provided that, in the event the ATSB approves the guaranty of the exit financing applied for in the Application and Agent notifies the Borrower in writing that such approval is reasonably satisfactory in form and substance to it, then, as of the date the Application is approved, the Applicable Margin with respect to (i) Floating Rate Loans shall be 3.50% per annum and (ii) Eurodollar Loans shall be 4.50% per annum.

"Flight Simulators" shall mean the flight simulators and flight training devices of the Borrower or any applicable Guarantor other than the flight simulators listed on Schedule 1.1(c) (as such Schedule may be amended from time to time with the consent of Agent to remove one or more flight simulators from such Schedule).

"Foreign Aviation Authorities" shall mean any foreign governmental, quasi-governmental, regulatory or other agencies or private entities which exercise jurisdiction over the issuance or authorization (i) to serve any foreign point on each of the Routes and/or operations related to the Routes and Supporting Route Facilities and/or (ii) to hold and operate any Foreign Slots.

"Foreign Slot" shall mean all of the rights and operational authority, now held or hereafter acquired, of Borrower and, if applicable, a Credit Party, to conduct one landing or takeoff at a specific time or in a specific time period on a specific day of the week at each non-U.S. airport served in conjunction with Borrower's, or, if applicable, a Credit Party's operations over a Route.

"Orders" shall mean the Interim Order, the Final and the Sixth Amendment Order.

"Supporting Route Facilities" shall mean gates, ticket counters and other facilities at each non-U.S. airport necessary to operate a Route including, but not limited to, those at the following airports: London, Heathrow; Tokyo, Narita; Osaka, Kansai; Beijing, Capital Airport; Shanghai, Puo Dong; and Hong Kong, Hong Kong International; Frankfurt, Frankfurt Airport; Paris, Charles de Gaulle Airport; and Munich, Munich International Airport.";

(B) inserting the following new definition of "Sixth Amendment Order" in appropriate alphabetical order:

"Sixth Amendment Order" shall mean an order of the Bankruptcy Court in form and substance reasonably satisfactory to Agent approving the execution of the Sixth Amendment, dated as of May __, 2004."

; and (C) amending the definition of the term "EBITDAR" by (x) deleting the parenthetical clause appearing in clause (a)(iii) thereof, (y) inserting at the end of clause (a)(viii) thereof the words "and a one-time rent expense in an amount not in excess of \$44,000,000 paid in 2004 in connection with a settlement of the dispute relating to the Chicago O'Hare municipal bond transaction relating to the out-of-period portion of such rent expense" and (z) inserting at the end of clause (c) thereof the words ", provided, however, that a one-time amount not in excess of \$50,000,000 paid in respect of the Chicago O'Hare municipal bond transaction relating to the out-of-period portion of rent expense shall not be so deducted for purposes of this clause (c)".

3. Amendments to Section 5.20. Section 5.20 of the Credit Agreement is hereby amended by inserting the words "as further amended by the Vision - 100 Century of Aviation Reauthorization Act and" immediately following the words "Homeland Security Act of 2002 and" appearing in clause (i) thereof and immediately preceding the words "the maximum".

4. Amendment to Section 5.22. Section 5.22(a) of the Credit Agreement is hereby amended by inserting the word ", frequencies" immediately following the word "concessions" appearing in the fourth sentence of subsection (a) thereof.

5. Amendment to Section 6.1. Section 6.1 of the Credit Agreement is hereby amended by (A) amending subsection (n) thereof to read in its entirety as follows:

"(n) on the fifth Business Day following the end of (i) each calendar month, a certificate of an Officer of the Borrower stating that the Borrower is monitoring its usage of each Slot identified on Schedule 6.1(n), as the same shall be amended from time-to-time pursuant to Section 6.13(iii), and is conducting its operations in a manner such that the Borrower should be able to meet the Use or Lose Rule for such Slots with respect to the applicable two-month FAA reporting period; (ii) each calendar month in which the Borrower does not file with the FAA a report pursuant to 14 C.F.R. Part 93, a report in detail reasonably satisfactory to Agent showing, for each airport listed on such Schedule 6.1(n), as same shall be amended from time-to-time pursuant to Section 6.13(iii), the number of Slots held at that airport by applicable hour or half-hour allocation period (and, if applicable, separately setting forth those Slots that are designated as arrivals or departures) and the total number of operations the Borrower has conducted in each such allocation period during the one-month period covered by such report; provided, that if Borrower engages in any temporary trade, transfer, exchange or lease (collectively, a "Transfer") of a Slot identified on Schedule 6.1(n), as then in effect, the Borrower shall provide Agent such information as Agent may from time-to-time reasonably request regarding such Transfer; and (iii) each calendar month in which the Borrower files with the FAA a report on Slot utilization pursuant to 14 C.F.R. Part 93, a copy of such report, and a summary thereof, if reasonably requested by Agent, in a format reasonably acceptable to Agent."

; and (B) inserting the following new subsection (t) immediately following subsection (s) therein:

"(t) on the fifth Business Day following the end of each calendar month, (i) a certificate of an Officer of the Borrower stating that the Borrower is conducting its operations and monitoring its usage of each Primary Foreign Slot identified on Schedule 1.1(a), as the same shall be updated from time to time pursuant to Section 6.19(b) in a manner such that the Borrower should be able to meet the requisite 80%/20%, or other applicable utilization requirement, to retain its right to each such Primary Foreign Slot in the next comparable scheduling season; and (ii) for each Primary Foreign Slot listed on Schedule 1.1(a), as such Schedule shall be updated from time to time pursuant to Section 6.19(b), a Primary Foreign Slot Utilization Report, in a format reasonably acceptable to Agent, showing by day of week the number of times Borrower canceled a service utilizing each such Primary Foreign Slot during the current IATA scheduling season."

6. Amendment to Section 6.6. Section 6.6(b) of the Credit Agreement is hereby amended to read in its entirety as follows:

"(b) The Borrower and each Credit Party shall maintain in full force and effect war risk and terrorism insurance on all its property in an amount that is no less than the maximum amount available to the Borrower and the Guarantors from the DOT under the Federal Aviation Insurance Program, as amended by the Air Transportation Stabilization Act and Regulations and further amended by the Homeland Security Act of 2002, and as further amended by the Vision - 100 Century of Aviation Reauthorization Act."

7. Amendment to Section 6.10. Section 6.10 of the Credit Agreement is hereby amended by inserting the word ", frequencies" immediately following the word "authorizations" appearing in clause (d) thereof.

8. Amendment to Section 6.13. Section 6.13 of the Credit Agreement is hereby amended by inserting the following new subsection (iii) immediately following subsection (ii) thereof:

"(iii) Cause to be delivered to Agent an updated Schedule 6.1(n) to replace the then-existing Schedule 6.1(n) within ten (10) Business Days after (i) the allocation to, or the acquisition, by whatever means, of any permanent Slot to be added to Borrower's FAA-approved base of Slots; (ii) any permanent disposition or transfer by Borrower of any Slot permitted pursuant to the terms of this Agreement and the SGR Security Agreement; or (iii) any reasonable request by Agent to update such Schedule 6.1(n)."

9. Amendment to Section 6.14. Section 6.14 of the Credit Agreement is hereby amended by (A) inserting the following words at the end of subsection (i) thereof:

"other than with respect to two (2) Primary Foreign Slots in connection with one non-stop round trip frequency during the winter off-peak season 2004/2005; it being understood that the two Primary Foreign Slots shall not include any of the Primary Foreign Slots located at London Heathrow Airport or Tokyo Narita Airport."

; (B) inserting the following words at the end of the first sentence appearing in subsection (ii) thereof:

"other than with respect to two (2) Primary Foreign Slots in connection with one non-stop round trip frequency during the winter off-peak season 2004/2005; it being understood that the two Primary Foreign Slots shall not include any of the Primary Foreign Slots located at London Heathrow Airport or Tokyo Narita Airport."

; and (C) inserting the following new subsection (iii) immediately following subsection (ii) thereof:

"(c) cause to be delivered to Agent an updated Schedule 1.1(a) to replace the then-existing Schedule 1.1(a) within ten (10) Business Days after (i) the allocation to, or acquisition by, Borrower of an additional slot at any airport outside the United States listed on Schedule 1.1(a); (ii) any permanent disposition or transfer of any Primary Foreign Slot permitted pursuant to the terms of this Agreement and the SGR Security Agreement; or (iii) any reasonable request by Agent to update such Schedule 1.1(a)."

10. Amendment to Section 6.15. Section 6.15 of the Credit Agreement is hereby amended by deleting the words "certificates, bilateral authorizations" appearing therein and inserting in lieu thereof the words "certificates, permits, bilateral or multi-lateral authorizations".

11. Amendment to Section 6.19. Section 6.19 of the Credit Agreement is hereby amended by (A) deleting the word "upon" appearing at the beginning of subsection (a) thereof and inserting in lieu thereof the words "within thirty (30) days of"; and (B) inserting the following new subsection (c) immediately following subsection (b) thereof:

"(c) Cause to be delivered to Agent an updated Schedule 1.1(b) to replace the then-existing Schedule 1.1(b) within ten (10) Business Days of any disposition or permanent transfer of any Primary Route which is permitted pursuant to the terms of this Agreement and the SGR Security Agreement."

12. Amendment to Section 6.24. Section 6.24 of the Credit Agreement is hereby amended by (A) renumbering clauses "(xix)," "(xx)" and "(xxi)" as clauses "(xiv)," "(xv)" and "(xvi)," respectively (B) deleting the percentage "100%" where it appears in clauses (ii)(1), (ii)(2), (xv)(A) and (xv)(B) thereof and inserting in lieu thereof the percentage "75%" and (C) deleting the word "and" immediately preceding clause (xvi) appearing therein and inserting the following the following new clause (xvii):

"; and (xvii) from and after the effective date of the Seventh Amendment dated May __, 2004, the sale or other disposition by the Borrower of ownership interests which it holds in Orbitz in addition to the sales or dispositions permitted pursuant to clause 6.24(xv), provided that 75% of the Net Proceeds of sales or dispositions permitted by this clause 6.24(xvii) shall be applied as a prepayment of the Additional DIP in accordance with Section 2.13(e) of the Additional DIP Credit Agreement."

13. Amendment to Section 6.36. Section 6.36 of the Credit Agreement is hereby amended by deleting from the table appearing in clause (ii) of subsection (b) the amount appearing opposite the date May 31, 2004 and inserting in lieu thereof the amount "1,369,000,000".

14. Amendment to Schedule 1.1(a). Schedule 1.1(a) is hereby replaced in its entirety with the new Schedule 1.1(a) attached hereto as Exhibit A.

15. Conditions to Amendment Effectiveness. The amendments set forth in this Amendment shall not become effective until the date (the "Effective Date") on which the following conditions precedent shall have been satisfied (or waived by the Required Lenders):

(a) Execution. This Amendment shall have been executed by the Borrower, the other Credit Parties and the Required Lenders, and Agent shall have received evidence reasonably satisfactory to it of such execution.

(b) Bankruptcy Court Order. The Bankruptcy Court shall have entered an order reasonably satisfactory in form and substance to Agent approving the terms of this Amendment which order shall be in full force and effect, and shall not have been vacated, stayed, reversed, modified or amended in any respect that Agent reasonably determines to be adverse to the interests of the Lenders; and, if such order is the subject of a pending appeal in any respect, the continued performance by the Borrower or any of the other Credit Parties of any of their respective obligations under the Credit Agreement or under the Loan Documents or under any other instrument or agreement referred to therein shall not be the subject of a presently effective stay pending appeal.

(c) Corporate and Judicial Proceedings. All corporate and judicial proceedings and all instruments and agreements in connection with the transactions among the Borrower, the other Credit Parties, Agent and the Required Lenders

contemplated by this Amendment shall be reasonably satisfactory in form and substance to the Required Lenders, and Agent and the Required Lenders shall have received all information and copies of all documents and papers, including records of corporate and judicial proceedings, which Agent may have reasonably requested in connection herewith, such documents and papers where appropriate to be certified by proper corporate, governmental or judicial authorities.

16. Ratification. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

17. Costs and Expenses. The Borrower agrees that its obligations set forth in Section 9.6 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to Agent.

18. References. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which Agent or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

19. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A fax copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

20. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Illinois.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

UAL CORPORATION

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

UAL LOYALTY SERVICES, INC.

By: /s/Steven M. Rasher
Name: Steven M. Rasher
Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

UAL COMPANY SERVICES, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

CONFETTI, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

MILEAGE PLUS HOLDINGS, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

MILEAGE PLUS MARKETING, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

MYPOINTS.COM, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

CYBERGOLD, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

ITARGET.COM, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

MYPOINTS OFFLINE SERVICES, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

UAL BENEFITS MANAGEMENT, INC.

By: /s/Frederic F. Brace

Name:

Title:

GUARANTOR:

UNITED BIZ JET HOLDINGS, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

BIZJET CHARTER, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

BIZJET FRACTIONAL, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

BIZJET SERVICES, INC.

By: /s/Steven M. Rasher

Name: Steven M. Rasher

Title: Sr. Vice President, General Counsel & Secretary

GUARANTOR:

KION LEASING, INC.

By: /s/Frederic F. Brace

Name:

Title:

GUARANTOR:

**PREMIER MEETING AND TRAVEL SERVICES,
INC.**

By: /s/Frederic F. Brace

Name:

Title:

GUARANTOR:

UNITED AVIATION FUELS CORPORATION

By: /s/Frederic F. Brace

Name:

Title:

GUARANTOR:

UNITED COGEN, INC.

By: /s/Paul R. Lovejoy

Name: Paul R. Lovejoy

GUARANTOR:

MILEAGE PLUS, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

UNITED GHS, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

UNITED WORLDWIDE CORPORATION

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

UNITED VACATIONS, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

FOUR STAR LEASING, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

AIR WIS SERVICES, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

AIR WISCONSIN, INC.

By: /s/Frederic F. Brace
Name:
Title:

GUARANTOR:

DOMICILE MANAGEMENT SERVICES, INC.

By: /s/Paul R. Lovejoy
Name: Paul R. Lovejoy
Title: Senior Vice President, General Counsel & Secretary

LENDERS:

BANK ONE, NA,

By: /s/Patrick J. Fravel
Name: Patrick J. Fravel
Title: Assoc. Director

**FOURTH AMENDMENT
TO REVOLVING CREDIT, TERM LOAN AND
GUARANTY AGREEMENT**

FOURTH AMENDMENT, dated as of March 27, 2003 (the "Amendment"), to the REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT, dated as of December 24, 2002, among UNITED AIR LINES, INC., a Delaware corporation (the "Borrower"), a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, UAL CORPORATION, a Delaware corporation and the parent company of the Borrower (the "Parent") and all of the direct and indirect subsidiaries of the Borrower and the Parent signatory thereto (the "Subsidiaries" and together with the Parent, each a "Guarantor" and collectively the "Guarantors"), each of which Guarantors referred to in this paragraph is a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, JPMORGAN CHASE BANK, a New York banking corporation ("JPMorgan Chase"), CITICORP USA, INC., a Delaware corporation ("CUSA"), BANK ONE, NA, a national banking corporation ("Bank One"), THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation ("CIT Group"), each of the other financial institutions from time to time party hereto (together with JPMorgan Chase, CUSA, Bank One and CIT Group, the "Lenders"), JPMORGAN CHASE BANK and CUSA, as co-administrative agents (together, the "Agents") for the Lenders and JPMORGAN CHASE BANK, as paying agent (in such capacity, the "Paying Agent") for the Lenders.

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors, the Lenders, the Paying Agent and the Agents are parties to that certain Revolving Credit, Term Loan and Guaranty Agreement, dated as of December 24, 2002 (as heretofore amended and as the same may be further amended, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, the Borrower and the United States of America have agreed to enter into a Stipulation for Settlement of Controversy Between the Debtors and the United States of America (the "IRS Stipulation") in substantially the form attached as Exhibit 1 hereto, pursuant to which, among other things, (x) the Borrower expects to receive, upon the approval thereof by the Bankruptcy Court, a tax refund from the Internal Revenue Service (the "IRS") in the approximate amount of \$365,000,000 in cash, (y) the IRS will withhold the amount of \$25,000,000 against which claims of the United States against the Borrower may be offset and (z) the United States will be permitted to setoff against such amount of \$25,000,000 the amount of \$3,200,000 as a credit toward the satisfaction of claims arising out of the Debtors' performance of certain subcontracts with the United States Air Force and the amount of \$687,500 in settlement of a claim by the United States Environmental Protection Agency; and

WHEREAS, in connection with the IRS Stipulation, the Borrower, the Guarantors and the Lenders have agreed that from and after the Effective Date (as hereinafter defined) of this Amendment, the Credit Agreement shall be amended as set forth herein subject to and upon the terms and conditions set forth herein;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. Section 1.01 of the Credit Agreement is hereby amended by inserting the following new definition in appropriate alphabetical order:

"IRS Stipulation" shall mean that certain Stipulation for Settlement of Controversy Between the Debtors and the United States of America approved by the Bankruptcy Court in March 2003."

3. Section 6.01 of the Credit Agreement is hereby amended by (i) deleting the word "and" immediately following clause (xv) thereof and (ii) inserting the following new clause (xvii) at the end thereof:

"; and (xvii) a Lien in favor of the United States of America arising from the right of the Internal Revenue Service to effect a setoff or recoupment against the sum of \$25,000,000 withheld pursuant to the IRS Stipulation."

4. Section 7.01(g) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(g) the Bankruptcy Court shall enter an order or orders granting relief from the automatic stay applicable under Section 362 of the Bankruptcy Code to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any assets of the Borrower or any of the Guarantors which have a value in excess of \$10,000,000 in the aggregate (it being understood that neither (i) the relinquishment by the Borrower or Guarantors of Section 1110 Assets, or the foreclosure of security interests in Section 1110 Assets (or in property in the possession of the applicable secured party) as to which defaults have not been cured pursuant to Section 1110 of the Bankruptcy Code nor (ii) the grant of relief from the automatic stay to the United States of America with respect to the sum of \$25,000,000 withheld pursuant to the IRS Stipulation to permit the payments contemplated by the IRS Stipulation, shall be considered to be included in this paragraph); or"

5. Section 7.01 (n) of the Credit Agreement is hereby amended by (i) deleting the word "or" at the end of clause (ii) thereof and inserting a "," in lieu thereof and (ii) inserting the following new clause (iv) at the thereof:

"(iv) pursuant to the IRS Stipulation out of the sum of \$25,000,000 withheld pursuant to the IRS Stipulation."

6. This Amendment shall not become effective until the date (the "Effective Date") on which this Amendment shall have been executed by the Borrower, the Guarantors and the Required Lenders, and the Agents shall have received evidence satisfactory to it of such execution.

7. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

8. The Borrower agrees that its obligations set forth in Section 10.05 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Agents.

9. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agents or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

10. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

11. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Waiver and Fourth Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Executive Vice President & CFO

GUARANTOR:

UAL CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Executive Vice President & CFO

GUARANTOR:

UAL COMPANY SERVICES, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President and Treasurer

GUARANTOR:

FOUR STAR LEASING, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

AIR WIS SERVICES, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UAL BENEFITS MANAGEMENT, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UAL LOYALTY SERVICES, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President,
General Counsel & Secretary

GUARANTOR:

UNITED BIZ JET HOLDINGS, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General
Counsel & Secretary

GUARANTOR:

CONFETTI, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel &
Secretary

GUARANTOR:

MILEAGE PLUS HOLDINGS, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Vice President, General Counsel &
Secretary

GUARANTOR:

MYPOINTS.COM, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel &
Secretary

GUARANTOR:

AIR WISCONSIN, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

DOMICILE MANAGEMENT SERVICES, INC.

By: /s/ Francesca M. Maher

Name: Francesca M. Maher

Title: Vice President and Secretary

GUARANTOR:

BIZJET CHARTER, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel & Secretary

GUARANTOR:

BIZJET FRACTIONAL, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel & Secretary

GUARANTOR:

BIZJET SERVICES, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel & Secretary

GUARANTOR:

MILEAGE PLUS MARKETING, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Vice President, General Counsel & Secretary

GUARANTOR:

CYBERGOLD, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel & Secretary

GUARANTOR:

ITARGET.COM, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel & Secretary

GUARANTOR:

MYPOINTS OFFLINE SERVICES, INC.

By: /s/ Steven M. Rasher

Name: Steven M. Rasher

Title: Senior Vice President, General Counsel & Secretary

GUARANTOR:

KION LEASING, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

PREMIER MEETING AND TRAVEL SERVICES, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President and Treasurer

GUARANTOR:

UNITED AVIATION FUELS CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

UNITED COGEN, INC.

By: /s/ Francesca M. Maher

Name: Francesca M. Maher

Title: Vice President and Secretary

GUARANTOR:

MILEAGE PLUS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

UNITED GHS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED WORLDWIDE CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED VACATIONS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

LENDERS:

JPMORGAN CHASE BANK

By: /s/ Matthew H. Massie

Name: Matthew H. Massie

Title: Managing Director

CITICORP USA, INC.

By: /s/ James J. McCarthy

Name: James J. McCarthy

Title: Director & Vice President

BANK ONE, NA

By: /s/ Patrick Farvel

Name: Patrick Farvel

Title: V.P.

THE CIT GROUP/BUSINESS CREDIT, INC.

By: /s/ Alan Strauss

Name: Alan Strauss

Title: Vice President - Team Leader

ABLECO FINANCE LLC

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Senior Vice President and Chief
Credit Officer

AURUM CLO 2002-1 LTD.

By: Columbia Management Advisors, Inc. (f/k/a Stein
Roe & Farnham Incorporated), As Investment Manager

By: /s/ Kathleen A. Zarn
Name: Kathleen A. Zarn
Title: Senior Vice President

BANK OF LINCOLNWOOD

By: /s/ Peter M. Guenzer
Name: Peter M. Guenzer
Title: Vice President

CASPIAN CAPITAL PARTNERS, LP

By: /s/ Charles Howe II
Name: Charles Howe II
Title: Treasurer

**CONNECTICUT GENERAL LIFE
INSURANCE COMPANY**

By: CIGNA Investments, Inc.

By: /s/ John P. Connor
Name: John P. Connor
Title: Vice President

FRANKLIN CLO II, LIMITED

By: /s/ Richard D'Addario
Name: Richard D'Addario
Title: Senior Vice President

FRANKLIN CLO III, LIMITED

By: /s/ Richard D'Addario
Name: Richard D'Addario
Title: Senior Vice President

FRANKLIN FLOATING RATE TRUST

By: /s/ Richard D'Addario
Name: Richard D'Addario

Title: Vice President

GOLDMAN SACHS CREDIT PARTNERS, L.P.

By: /s/ Sandra Stulberger
Name: Sandra Stulberger
Title: Authorized Signatory

LIBERTY FLOATING RATE ADVANTAGE FUND

By: Columbia Management Advisors, Inc. (f/k/a Stein
Roe & Farnham Incorporated), As Advisor

By: /s/ Kathleen A. Zarn
Name: Kathleen A. Zarn
Title: Senior Vice President

MARINER LDC

By: /s/ Charles Howe II
Name: Charles Howe II
Title: Treasurer

MARINER OPPORTUNITIES FUND, LP

By: /s/ Charles Howe II
Name: Charles Howe II
Title: Treasurer

MARINER OPPORTUNITIES II, LP

By: /s/ Charles Howe II
Name: Charles Howe II
Title: Treasurer

REGIMENT CAPITAL, LTD.

By: Regiment Capital Management, LLC
as its Investment Advisor

By: Regiment Capital Advisors, LLC
its Manager and pursuant to delegated authority

By: /s/ Timothy S. Peterson
Name: Timothy S. Peterson
Title: President

SRF 2000 LLC

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

**SPECIAL SITUATIONS INVESTING GROUP,
INC.**

By: /s/ Michael Mansour
Name: Michael Mansour
Title: Authorized Signatory

STANWICH LOAN FUNDING LLC

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

STARK EVENT TRADING LTD.

By: /s/ Michael A. Roth
Name: Michael A. Roth
Title: Managing Member of the
Investment Manager of
Stark Event Trading Ltd.

With immediate effect from February 18, 2003, Stark Event Trading, Ltd. Expressly requests that it not be provided with any non-public information (including any non-public portions of the materials described in Section 5.01 of the Revolving Credit, Term Loan and Guarantee Agreement) relating to Borrower or any Guarantor. Stark Event Trading Ltd. Reserves the right to revoke this election by providing the Borrower with express written notice of such revocation.

STONEHILL INSTITUTIONAL PARTNERS, L.P.

By: /s/ Christopher Wilson
Name: Christopher Wilson
Title: General Partner

**STEIN ROE FLOATING RATE
LIMITED LIABILITY COMPANY**

By: Columbia Management Advisors, Inc. (f/k/a Stein
Roe & Farnham Incorporated), As Advisor

By: /s/ Kathleen A. Zarn
Name: Kathleen A. Zarn
Title: Senior Vice President

TORONTO DOMINION (NEW YORK), INC.

By: /s/ Susan K. Strong
Name: Susan K. Strong
Title: Vice President

TRILOGY PORTFOLIO CO., LLC

By: /s/ Charles Howe II
Name: Charles Howe II
Title: Treasurer

FARALLON CAPITAL MANAGEMENT, LLC

By: [ILLEGIBLE]

Name:

Title: Farallon Capital Management, LLC, Manager

**WAIVER AND FIFTH AMENDMENT
TO REVOLVING CREDIT, TERM LOAN AND
GUARANTY AGREEMENT**

WAIVER AND FIFTH AMENDMENT, dated as of May 15, 2003 (the "Amendment"), to the REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT, dated as of December 24, 2002, among UNITED AIR LINES, INC., a Delaware corporation (the "Borrower"), a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, UAL CORPORATION, a Delaware corporation and the parent company of the Borrower (the "Parent") and all of the direct and indirect subsidiaries of the Borrower and the Parent signatory thereto (the "Subsidiaries" and together with the Parent, each a "Guarantor" and collectively the "Guarantors"), each of which Guarantors referred to in this paragraph is a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, JPMORGAN CHASE BANK, a New York banking corporation ("JPMorgan Chase"), CITICORP USA, INC., a Delaware corporation ("CUSA"), BANK ONE, NA, a national banking corporation ("Bank One"), THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation ("CIT Group"), each of the other financial institutions from time to time party hereto (together with JPMorgan Chase, CUSA, Bank One and CIT Group, the "Lenders"), JPMORGAN CHASE BANK and CUSA, as co-administrative agents (together, the "Agents") for the Lenders and JPMORGAN CHASE BANK, as paying agent (in such capacity, the "Paying Agent") for the Lenders.

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors, the Lenders, the Paying Agent and the Agents are parties to that certain Revolving Credit, Term Loan and Guaranty Agreement, dated as of December 24, 2002 (as heretofore amended and as the same may be further amended, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, the Borrower and the Guarantors have requested that from and after the Effective Date (as hereinafter defined) of this Amendment, the Credit Agreement shall be amended as set forth herein subject to and upon the terms and conditions set forth herein;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. Waivers. The Lenders hereby waive any Event of Default under Section 7.01(d) of the Credit Agreement or the occurrence of any event which with the passage of time or giving of notice or both would constitute an Event of Default under Section 7.01(d) of the Credit Agreement as a result of each of the following: (i) the Borrower's failure to make certain principal and interest payments in connection with certain Section 1110 Assets; and (ii) the Borrower's and the Guarantors' failure to (x) provide the 45-day notice required by Section 6(c)(iii) of the SGR Agreement for the discontinuation or material modification of service on any Route and the 60-day notice required by Section 6(c)(iii) of the SGR Agreement for the suspension of service on Primary Routes in connection with the temporary suspension of service on the Routes reflected on Schedule 2 attached hereto for the periods set forth on such Schedule and (y) to the extent such provisions are applicable, comply, as a result of such temporary suspension, with any provisions of the Credit Agreement, including, but not limited to, the affirmative covenants set forth in Sections 5.14 and 5.15 of the Credit Agreement with respect to Primary Foreign Slot utilization and Primary Route and Supporting Route Facilities utilization, respectively. The Lenders also hereby waive the Event of Default under Section 7.01(f) of the Credit Agreement as a result of the occurrence of corresponding defaults under the Bank One DIP, provided that the waiver set forth in this sentence shall not become effective until such similar defaults under the Bank One DIP have been waived and each Agent has received evidence satisfactory to it of such waiver.

3. Consent to Suspension of Routes. (a) Notwithstanding anything to the contrary in the Credit Agreement and the SGR Agreement, the Lenders hereby consent to the temporary suspension of service on the Primary Routes reflected on Schedule 2, including the corresponding non-use of the Supporting Route Facilities relating to such Primary Routes, for the periods set forth on such Schedule.

(b) Notwithstanding anything to the contrary in the Credit Agreement and the SGR Agreement, the Lenders hereby consent to the reduced utilization of the Primary Foreign Slots reflected on Schedule 3(b) attached hereto for the period set forth on such Schedule as a result of the temporary suspension of service on the Primary Routes consented to in paragraph 3(a) of this Amendment.

(c) The Lenders hereby authorize the Collateral Agent to execute an amendment to the SGR Agreement (the "SGR Agreement Amendment"), substantially in the form of Exhibit A attached hereto.

4. Amendment to Section 5.04. Section 5.04 of the Credit Agreement is hereby amended by inserting the following proviso at the end thereof:

"; and provided, further, however, that this Section shall not be construed to require the Borrower to pay any obligation arising under any agreement with respect to Section 1110 Assets unless the Borrower is compelled by the Bankruptcy Court to make such payment (it being understood that the Borrower shall deliver to the Agents, as soon as available, but no later than 15 days after the end of each fiscal month, a report setting forth, for the immediately preceding month, all payments not made under any Section 1110 Asset agreements that have not yet been rejected)."

5. Amendment to Section 6.01. Section 6.01 of the Credit Agreement is hereby amended by (A) amending clause (xv) thereof in its entirety as follows:

"(xv) Liens on cash collateral and fuel inventory (and the proceeds thereof) or Letters of Credit in an aggregate amount not in excess of \$50,000,000 for all of such cash, fuel and Letters of Credit securing Indebtedness permitted pursuant to Section 6.03(vi) and (vii);";

(B) deleting the word "and" appearing at the end of clause (xvi); and (C) inserting the following new clause at the end thereof:

"; and (xviii) Liens on the Borrower's right to receive a refund of unearned insurance premiums the payment of which is financed by Indebtedness permitted pursuant to Section 6.03(xv) granted in order to secure the Borrower's obligation in respect of such Indebtedness.".

6. Amendment to Section 6.03. Section 6.03 of the Credit Agreement is hereby amended by (A) amending clause (ix) thereof by inserting the following text at the end of sub-clause (A) appearing therein:

"unless (1) the interest expense, if any, on any scheduled payments deferred as a result of such refinancing is not paid currently but is recapitalized as principal or (2) such refinancing increases the principal amount of such refinanced Indebtedness but the overall effect on the aggregate amount of existing Indebtedness secured directly or indirectly by "equipment" described in Section 1110(a)(3) of the Bankruptcy Code is reduced, or the financing expenses in connection with all such Indebtedness is reduced (it being understood that any such increase in Indebtedness may not be granted Superpriority Claim status pursuant to Section 364(c)(1) of the Bankruptcy Code);";

(B) deleting the word "and" appearing at the end of clause (xiii); and (C) inserting the following new clause at the end thereof:

"; and (xv) Indebtedness of the Borrower owed to one or more Persons in connection with the financing of certain insurance premiums in an aggregate amount not to exceed \$20,000,000.".

7. Conditions to Effectiveness. This Amendment shall not become effective until the date (the "Effective Date") on which this Amendment shall have been executed by the Borrower, the Guarantors and the Required Lenders, and each Agent shall have received evidence satisfactory to it of such execution; provided that notwithstanding the occurrence of the Effective Date, the effect of this Amendment shall terminate and be of no further force or effect if (x) on or before June 20, 2003, the Bankruptcy Court shall not have entered an order satisfactory in form and substance to the Agents authorizing the payment by no later than June 20, 2003 by the Borrower (i) to the Paying Agent for the respective account of each Lender that has executed and delivered to each Agent a counterpart of this Amendment by not later than 5:00 p.m. (New York City time) on May 30, 2003, an amendment fee in an amount equal to 1/10 of 1% of such Lender's Tranche A Commitment and Tranche B Commitment on May 30, 2003 and (ii) of other fees referred to in that certain Fifth Amendment Fee Letter dated the date hereof, and (y) such amendment and other fees shall not have been paid in cash to the Paying Agent within one Business Day after entry of the order referred to above.

8. Ratification. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

9. Costs and Expenses. The Borrower agrees that its obligations set forth in Section 10.05 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Agents.

10. References. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agents or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

11. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A fax copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

12. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Waiver and Fifth Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

GUARANTOR:

UAL CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

GUARANTOR:

UAL LOYALTY SERVICES, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

UAL COMPANY SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

GUARANTOR:

CONFETTI, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

MILEAGE PLUS HOLDINGS, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

MILEAGE PLUS MARKETING, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

MYPOINTS.COM, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

CYBERGOLD, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

ITARGET.COM, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

MYPOINTS OFFLINE SERVICES, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

UAL BENEFITS MANAGEMENT, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED BIZ JET HOLDINGS, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

BIZJET CHARTER, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

BIZJET FRACTIONAL, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

BIZJET SERVICES, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

KION LEASING, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

**PREMIER MEETING AND TRAVEL SERVICES,
INC.**

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President and Treasurer

GUARANTOR:

UNITED AVIATION FUELS CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

UNITED COGEN, INC.

By: /s/ Francesca M. Maher

Name: Francesca M. Maher

Title: Senior Vice President

General Counsel and Secretary

GUARANTOR:

MILEAGE PLUS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

UNITED GHS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED WORLDWIDE CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED VACATIONS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

FOUR STAR LEASING, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

AIR WIS SERVICES, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

AIR WISCONSIN, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

DOMICILE MANAGEMENT SERVICES, INC.

By: /s/ Francesca M. Maher

Name: Francesca M. Maher

Title: Senior Vice President

General Counsel and Secretary

LENDERS:

JPMORGAN CHASE BANK,

By: /s/ Matthew H. Massie

Name: Matthew H. Massie

Title: Managing Director

CITICORP USA, INC.

By: /s/ James J. McCarthy

Name: James J. McCarthy

Title: Director and Vice President

BANK ONE, NA,

By: /s/ Patrick Fravel

Name: /s/ Patrick Fravel

Title: Vice President

THE CIT GROUP/BUSINESS CREDIT, INC.,

By: /s/ Vincent Belcastro
Name: Vincent Belcastro
Title: Vice President

ARES LEVERAGED INVESTMENT FUND II, L.P.

By: ARES Management II, L.P.
Its: General Partner

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

ARE VI CLO LTD.

By: ARES CLO GP VI, LLC
Its Management Member

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

ARES VII CLO LTD.

By: ARES CLO Management VII, L.P.,
Investment Manager

By: Ares CLO GP VII, LLC,
Its General Partner

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

AURUM CLO 2002-1 LTD.

By: Columbia Management Advisors, Inc.(f/k/a Stein
Roe & Farnham Incorporated), As Investment Manager

By: /s/ Kathleen A Zarn
Name: Kathleen A Zarn
Title: Senior Vice President

BANK OF LINCOLNWOOD

By: /s/ Richard R. Robbins
Name: Richard R. Robbins
Title: President/COO

CASPIAN CAPITAL PARTNERS, LP

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

**CONNECTICUT GENERAL LIFE
INSURANCE COMPANY**

By: /s/ Michael Ashton
Name: Michael Ashton
Title: Vice President

CREDIT AGRICOLE INDOSUEZ

By: /s/ Joseph D. Catarina
Name: Joseph D. Catarina
Title: Vice President

CREDIT AGRICOLE INDOSUEZ

By: /s/ Jean Flecheux
Name: Jean Flecheux
Title: First Vice President

**DRAWBRIDGE SPECIAL OPPORTUNITIES
FUND LP**

By: /s/ Marc K. Furstein
Name: Marc K. Furstein
Title: Chief Operating Officer

GOLDMAN SACHS CREDIT PARTNERS L.P.

By: /s/ Sandra Stulberger
Name: Sandra Stulberger
Title: Authorized Signatory

GULF STREAM - COMPASS CLO 2002-I, Ltd.

By: Gulf Stream Asset Management, LLC

By: /s/ Barry K. Love
Name: Barry K. Love
Title: Chief Credit Officer

HBK MASTER FUND, L.P.

By: /s/ David C. Daley
Name: David C. Daley
Title: Authorized Signatory

HEWETT'S ISLAND CDO, LTD.

By: CypressTree Investment Management Company,
Inc., as Portfolio Manager

By: /s/ Preston I. Carnes, Jr.
Name: Preston I. Carnes, Jr.
Title: Managing Director

INDOSUEZ CAPITAL FUNDING IIA, LIMITED

By: Indosuez Capital as Portfolio Advisor

By: /s/ Andrew Brady
Name: Andrew Brady
Title: Vice President

INDOSUEZ CAPITAL FUNDING III, LIMITED

By: Indosuez Capital as Portfolio Advisor

By: /s/ Andrew Brady
Name: Andrew Brady
Title: Vice President

INDOSUEZ CAPITAL FUNDING VI, LIMITED

By: Indosuez Capital as Collateral Manager

By: /s/ Andrew Brady

Name: Andrew Brady

Title: Vice President

LIBERTY FLOATING RATE ADVANTAGE FUND

By: Columbia Management Advisors, Inc.(f/k/a Stein
Roe & Farnham Incorporated), As Advisor

By: /s/ Kathleen A. Zarn

Name: Kathleen A. Zarn

Title: Senior Vice President

MARINER LDC

By: /s/ Charles R. Howe II

Name: Charles R. Howe II

Title: Treasurer

MARINER OPPORTUNITIES FUND, LP

By: /s/ Charles R. Howe II

Name: Charles R. Howe II

Title: Treasurer

MARINER OPPORTUNITIES II, LP

By: /s/ Charles R. Howe II

Name: Charles R. Howe II

Title: Treasurer

PERRY PRINCIPALS, L.L.C.

By: /s/ N. Klipper

Name: N. Klipper

Title: Managing Director

REGIMENT CAPITAL, LTD.

By: /s/ Chris Kaster

Name: Chris Kaster

Title: Chief Operating Officer

RIVIERA FUNDING LLC

By: /s/ Diana M. Himes

Name: Diana M. Himes

Title: Assistant Vice President

SOF INVESTMENTS, L.P.

By: /s/ Marc R. Lisker

Name: Marc R. Lisker

Title: General Counsel

**SPECIAL SITUATIONS INVESTING GROUP,
INC.**

By: /s/ Michael Mansour
Name: Michael Mansour
Title: Authorized Signatory

STANWICH LOAN FUNDING LLC

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

SRF 2003, INC.

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

SRF TRADING, INC.

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

STARK EVENT TRADING LTD.

By: /s/ Michael A. Roth
Name: Michael A. Roth
Title: Managing Member of the
Investment Manager of Stark
Event Trading Ltd.

With immediate effect from February 18, 2003, Stark Event Trading, Ltd. Expressly requests that it not be provided with any non-public information (including any non-public portions of the materials described in Section 5.01 of the Revolving Credit, Term Loan and Guarantee Agreement) relating to Borrower or any Guarantor. Stark Event Trading Ltd. Reserves the right to revoke this election by providing the Borrower with express written notice of such revocation.

**STEIN ROE FLOATING RATE
LIMITED LIABILITY COMPANY**

By: Columbia Management Advisors, Inc. (f/k/a Stein
Roe & Farnham Incorporated), As Advisor

By: /s/ Kathleen A. Zarn
Name: Kathleen A. Zarn
Title: Senior Vice President

STONEHILL INSTITUTIONAL PARTNERS, L.P.

By: /s/ Christopher Wilson
Name: Christopher Wilson
Title: General Partner

SUN TRUST BANK

By: /s/ Kenneth M. Uchiyama
Name: Kenneth M. Uchiyama
Title: Managing Director

TORONTO DOMINION (NEW YORK), INC.

By: /s/ Stacey Malek
Name: Stacey Malek
Title: Vice President

TRILOGY PORTFOLIO COMPANY, LLC

By: /s/ Charles R. Howe II

Name: Charles R Howe II

Title: Treasurer

UAL INVESTORS, L.L.C.

By: /s/ William F. Mellin

Name: William F. Mellin

Title: Managing Member

WATERSHED CAPITAL PARTNERS, L.P.

By: WS Partners, L.L.C.

By: /s/ Meridee Moore

Name: Meridee Moore

Title: Senior Managing Member

WATERSHED CAPITAL INSTITUTIONAL PARTNERS, L.P.

By: WS PARTNERS, L.L.C.

By: /s/ Meridee Moore

Name: Meridee Moore

Title: Senior Managing Member

WATERSHED CAPITAL PARTNERS (OFFSHORE) LTD.

By: Watershed Asset Management, L.L.C.

By: /s/ Meridee Moore

Name: Meridee Moore

Title: Senior Managing Member

**WAIVER AND SIXTH AMENDMENT
TO REVOLVING CREDIT, TERM LOAN AND
GUARANTY AGREEMENT**

WAIVER AND SIXTH AMENDMENT, dated as of October 10, 2003 (the "Amendment"), to the REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT, dated as of December 24, 2002, among UNITED AIR LINES, INC., a Delaware corporation (the "Borrower"), a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, UAL CORPORATION, a Delaware corporation and the parent company of the Borrower (the "Parent") and all of the direct and indirect subsidiaries of the Borrower and the Parent signatory thereto (the "Subsidiaries" and together with the Parent, each a "Guarantor" and collectively the "Guarantors"), each of which Guarantors referred to in this paragraph is a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, JPMORGAN CHASE BANK, a New York banking corporation ("JPMorgan Chase"), CITICORP USA, INC., a Delaware corporation ("CUSA"), BANK ONE, NA, a national banking corporation ("Bank One"), THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation ("CIT Group"), each of the other financial institutions from time to time party hereto (together with JPMorgan Chase, CUSA, Bank One and CIT Group, the "Lenders"), JPMORGAN CHASE BANK and CUSA, as co-administrative agents (together, the "Agents") for the Lenders and JPMORGAN CHASE BANK, as paying agent (in such capacity, the "Paying Agent") for the Lenders.

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors, the Lenders, the Paying Agent and the Agents are parties to that certain Revolving Credit, Term Loan and Guaranty Agreement, dated as of December 24, 2002 (as heretofore amended and as the same may be further amended, modified or supplemented from time to time, the "Credit Agreement");

WHEREAS, the Borrower and the Guarantors have requested that from and after the (i) Waiver and Fuel Agreement Effective Date (as hereinafter defined), the Lenders agree to waive the Events of Default described in paragraph 2 hereof and consent to the amendments set forth in paragraphs 3, 4, 7(C) and 8 hereof and (ii) Amendment Effective Date (as hereinafter defined), the Credit Agreement be amended as set forth in paragraphs 5, 6, 7(A) and 7(B) hereof, subject to and upon the terms and conditions set forth herein;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. Waivers. The Lenders hereby waive any Event of Default under (i) Section 7.01(d) of the Credit Agreement or the occurrence of any event which with the passage of time or giving of notice or both would constitute an Event of Default under Section 7.01(d) of the Credit Agreement as a result of the Borrower's and the Guarantors' failure to provide the 14-day notice required by Section 6(c)(iii) of the SGR Agreement for the discontinuation or material modification of service on any Route in connection with discontinuation of service on the San Francisco/Taipei Route as set forth on Schedule 1 attached hereto and (ii) under Section 7.01(f) of the Credit Agreement as a result of the occurrence of any corresponding default under the Bank One DIP, provided that the waiver set forth in this sentence shall not become effective until any such similar default under the Bank One DIP has been waived and each Agent has received evidence satisfactory to it of such waiver. The Lenders hereby further waive any Event of Default under Section 7.01(c) of the Credit Agreement as a result of the Borrower's having heretofore filed a motion with the Bankruptcy Court seeking approval of the restructuring that is referred to in paragraph 5 hereof, provided that the Borrower may not enter into such restructuring until the Amendment Effective Date has occurred.

3. Amendment to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended by inserting the following new definitions in the appropriate alphabetical order:

"Jet Fuel Supply Agreement" shall mean that certain Jet Fuel Supply Agreement, dated as of October __, 2003, as it may be amended from time to time, among the Borrower, UAFC and MSCG, pursuant to which MSCG will supply jet fuel for the Borrower's domestic operations, will assume certain of the Borrower's and UAFC's existing supply and third-party sale agreements and will sublease certain of the Borrower's and UAFC's existing infrastructure agreements.

"MSCG" shall mean Morgan Stanley Capital Group Inc.

"UAFC" shall mean United Aviation Fuels Corporation."

4. Amendment to Section 6.01. Section 6.01 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xvii) and (B) inserting the following new clause at the end thereof:

"; and (xix) Liens on cash in an aggregate amount not in excess of \$18,000,000 representing a deposit securing the obligations of the Borrower and UAFC under the Jet Fuel Supply Agreement."

5. Amendment to Section 6.03. Section 6.03 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xiv) and (B) inserting the following new clause at the end thereof:

"; and (xvi) the restructuring of certain Indebtedness owed to Export Development Canada secured by Liens on five (5) flight simulators (in connection and concurrently with the refinancing of certain Indebtedness that is secured by two 757 aircraft, which refinancing is permitted by clause (ix) of this Section) pursuant to which principal payments will be deferred until August 1, 2004 (with principal payments to be made every February and August thereafter according to an agreed upon amortization) and accrued and unpaid interest will be paid upon the closing of such restructuring and in February 2004 and thereafter on any dates on which a principal payment is made (it being understood that any such restructured Indebtedness may not be granted Superpriority Claim status pursuant to Section 364(c)(1) of the Bankruptcy Code)."

6. Amendment to Section 6.10. Section 6.10 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xiii) and (B) inserting the following new clauses at the end thereof:

"; (xv) following the distribution of UAL Loyalty Services, Inc.'s ownership interests in Orbitz, Inc. and Orbitz, LLC (together, "Orbitz") to the Parent, the Parent may transfer such ownership interests in Orbitz to the Borrower through a capital contribution in connection with the sale of such ownership interests permitted by Section 6.11(xiv); and (xvi) additional capital contributions by the Parent to the Borrower."

7. Amendment to Section 6.11. Section 6.11 of the Credit Agreement is hereby amended by (A) deleting the word "and" appearing at the end of clause (xii), (B) inserting the following new clause (xiv) at the end thereof:

"; (xiv) the sale or other disposition by the Borrower of (A) 100% of the ownership interests which it holds in Hotwire, Inc. for net cash proceeds of no less than \$80,000,000 and (B) the sale or other disposition by the Borrower of a portion of the ownership interests which it holds in Orbitz in a public offering of the common stock of Orbitz for cash proceeds of no less than \$26,000,000, provided, that 100% of the Net Proceeds of each disposition permitted by this clause 6.11(xiv) shall be applied as a prepayment of the Loans in accordance with Section 2.13(e);"

and (C) inserting the following new clause (xv) immediately thereafter:

"and (xv) the assignment of local supply agreements, bulk supply agreements and third-party sale agreements, the sublease of infrastructure agreements and the transfer of historical pipeline capacity contemplated under the Jet Fuel Supply Agreement."

8. Amendment to Section 6. Section 6 of the Credit Agreement is hereby amended by adding the following new Section 6.15:

"SECTION 6.15. **Modification of Jet Fuel Supply Agreement**. Enter into or permit any material amendment or modification to the Jet Fuel Supply Agreement that would materially and adversely affect the interests of the Lenders."

9. Condition to Waiver and Fuel Agreement Effective Date. The waivers set forth in paragraph 2 hereof and the consents to the amendments set forth in paragraphs 3, 4, 7(C) and 8 hereof shall not become effective until the date (the "Waiver and Fuel Agreement Effective Date") on which this Amendment shall have been executed by the Borrower, the Guarantors and the Required Lenders, and each Agent shall have received evidence satisfactory to it of such execution.

10. Conditions to Amendment Effective Date. The amendments set forth in paragraphs 5, 6, 7(A) and 7(B) of this Amendment shall not become effective until the date (the "Amendment Effective Date") on which (i) this Amendment shall have been executed by the Borrower, the Guarantors and the Required Lenders, and each Agent shall have received evidence satisfactory to it of such execution, (ii) the Bankruptcy Court shall have entered an order satisfactory in form and substance to the Agents authorizing the payment by no later than October 27, 2003 by the Borrower (x) to the Paying Agent for the respective account of each Lender that has executed and delivered to each Agent a counterpart of this Amendment by not later than 5:00 p.m. (New York City time) on October 10, 2003, an amendment fee in an amount equal to 1/10 of 1% of such Lender's Tranche A Commitment and Tranche B Commitment on October 10, 2003 and (y) of other fees referred to in that certain Sixth Amendment Fee Letter dated the date hereof, and (iii) such amendment and other fees referred to above shall have been paid in cash to the Paying Agent within one Business Day after entry of the order referred to above (it being understood and agreed that the fees referred to in clause (ii) are being paid in consideration of all of the waivers and amendments set forth herein).

11. Ratification. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

12. Costs and Expenses. The Borrower agrees that its obligations set forth in Section 10.05 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Agents.

13. References. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agents or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the

Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

14. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A fax copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

15. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Waiver and Sixth Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

GUARANTOR:

UAL CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President and
Chief Financial Officer

GUARANTOR:

UAL COMPANY SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

GUARANTOR:

UAL BENEFITS MANAGEMENT, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

GUARANTOR:

KION LEASING, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

GUARANTOR:

PREMIER MEETING AND TRAVEL SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

GUARANTOR:

UNITED AVIATION FUELS CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

MILEAGE PLUS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

UNITED GHS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED WORLDWIDE CORPORATION

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED VACATIONS, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: Vice President

GUARANTOR:

FOUR STAR LEASING, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

AIR WIS SERVICES, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

AIR WISCONSIN, INC.

By: /s/ Frederic F. Brace

Name: Frederic F. Brace

Title: President

GUARANTOR:

UNITED COGEN, INC.

By: /s/ Paul R. Lovejoy

Name: Paul R. Lovejoy

Title: Vice President and Secretary

GUARANTOR:

DOMICILE MANAGEMENT SERVICES, INC.

By: /s/ Paul R. Lovejoy
Name: Paul R. Lovejoy
Title: Vice President and Secretary

GUARANTOR:

UAL LOYALTY SERVICES, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

UNITED BIZ JET HOLDINGS, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

CONFETTI, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

MILEAGE PLUS HOLDINGS, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

MYPOINTS.COM, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

BIZJET CHARTER, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

BIZJET FRACTIONAL, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

BIZJET SERVICES, INC.

By: /s/ Steven M. Rasher
Name:
Title:

GUARANTOR:

MILEAGE PLUS MARKETING, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

CYBERGOLD, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

ITARGET.COM, INC.

By: /s/ Steven M. Rasher

Name:

Title:

GUARANTOR:

MYPOINTS OFFLINE SERVICES, INC.

By: /s/ Steven M. Rasher

Name:

Title:

LENDERS:

JPMORGAN CHASE BANK

By: /s/ Matthew H. Massie

Name: Matthew H. Massie

Title: Managing Director

CITICORP USA, INC.

By: /s/ James J. McCarthy

Name: James J. McCarthy

Title: Director/Vice President

BANK ONE, NA

By: /s/ Patrick J. Fravel

Name: Patrick J. Fravel

Title: Associate Director

THE CIT GROUP/BUSINESS CREDIT, INC.

By: /s/ Vincent Belcastro

Name: Vincent Belcastro

Title: Vice President

ABLECO FINANCE LLC

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Senior Vice President

ARES LEVERAGED INVESTMENT FUND II, L.P.

By: ARES Management II, L.P.

Its General Partner

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

ARES VI CLO LTD.

By: ARES CLO Management VI, L.P.
Investment Manager

By: ARES CLO GP VI, LLC
Its Managing Member

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

ARES VII CLO LTD.

By: ARES CLO Management VII, L.P.,
Investment Manager

By: Ares CLO GP VII, LLC,
Its General Partner

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

AURUM CLO 2002-1 LTD.

By: Columbia Management Advisors, Inc. (f/k/a Stein
Roe & Farnham Incorporated), As Investment Manager

By: /s/ James R. Fellows
Name: James R. Fellows
Title: Sr. Vice President & Portfolio Manager

BANK OF LINCOLNWOOD

By: /s/ Richard R. Robbins
Name: Richard R. Robbins
Title: President/COO

**Canyon Capital Advisors
9665 Wilshire Blvd., #200
Beverly Hills, CA 90212**

PROPORTIONATE VOTING PROVISION

The undersigned, **Canyon Capital CDO 2001-1 LTD.** ("Canyon"), is a Lender to UNITED AIRLINES, INC., REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT dated as of December 24, 2002 (the "Credit Agreement"). Canyon's approval of a proposed WAIVER AND SIXTH AMENDMENT has been requested pursuant to the terms of the Credit Agreement. The WAIVER AND SIXTH AMENDMENT must be approved by the Required Lenders under the Credit Agreement.

Canyon hereby votes its percentage interest as a Lender in favor of and/or against the approval of the WAIVER AND SIXTH AMENDMENT in direct proportion to the votes of those other Lenders under the Credit Agreement that have voted for or against the approval of the WAIVER AND SIXTH AMENDMENT (without counting failure to vote or abstentions.)

Canyon Capital CDO 2001-1 LTD.
a California limited liability company

By: /s/ Christian B. Evensen Date: 10/10/03
Name: Christian B. Evensen
Title: Authorized Member

**Canyon Capital Advisors
9665 Wilshire Blvd., #200
Beverly Hills, CA 90212**

PROPORTIONATE VOTING PROVISION

The undersigned, **Canyon Capital CDO 2002-1 LTD.** ("Canyon"), is a Lender to UNITED AIRLINES, INC., REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT dated as of December 24, 2002 (the "Credit Agreement"). Canyon's approval of a proposed WAIVER AND SIXTH AMENDMENT has been requested pursuant to the terms of the Credit Agreement. The WAIVER AND SIXTH AMENDMENT must be approved by the Required Lenders under the Credit Agreement.

Canyon hereby votes its percentage interest as a Lender in favor of and/or against the approval of the WAIVER AND SIXTH AMENDMENT in direct proportion to the votes of those other Lenders under the Credit Agreement that have voted for or against the approval of the WAIVER AND SIXTH AMENDMENT (without counting failure to vote or abstentions.)

Canyon Capital CDO 2002-1 LTD.

a California limited liability company

By: /s/ Christian B. Evensen Date: 10/10/03

Name: Christian B. Evensen

Title: Authorized Member

**Canyon Capital Advisors
9665 Wilshire Blvd., #200
Beverly Hills, CA 90212**

PROPORTIONATE VOTING PROVISION

The undersigned, **Canyon Capital CDO 2004-1 LTD.** ("Canyon"), is a Lender to UNITED AIRLINES, INC., REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT dated as of December 24, 2002 (the "Credit Agreement"). Canyon's approval of a proposed WAIVER AND SIXTH AMENDMENT has been requested pursuant to the terms of the Credit Agreement. The WAIVER AND SIXTH AMENDMENT must be approved by the Required Lenders under the Credit Agreement.

Canyon hereby votes its percentage interest as a Lender in favor of and/or against the approval of the WAIVER AND SIXTH AMENDMENT in direct proportion to the votes of those other Lenders under the Credit Agreement that have voted for or against the approval of the WAIVER AND SIXTH AMENDMENT (without counting failure to vote or abstentions.)

Canyon Capital CDO 2004-1 LTD.

a California limited liability company

By: /s/ Christian B. Evensen Date: 10/10/03

Name: Christian B. Evensen

Title: Authorized Member

CASPIAN CAPITAL PARTNERS, LP

By: Mariner Investment Group

By: /s/ Charles R. Howe II

Name: Charles R. Howe II

Title: Treasurer

**CONNECTICUT GENERAL LIFE
INSURANCE COMPANY**

By: /s/ Michael Bacevich

Name: Michael Bacevich

Title: Managing Director

CONTINENTAL CASUALTY COMPANY

By: /s/ Dennis R. Hemme

Name: Dennis R. Hemme

Title: Vice President and Treasurer

**DRAWBRIDGE SPECIAL OPPORTUNITIES
FUND LP**

By: /s/ Mark K. Furstein

Name: Mark K. Furstein

Title: Chief Operating Officer

GULF STREAM - COMPASS CLO 2003-I, LTP.

By: Gulf Stream Asset Management, LLC as Collateral
Manager

By: /s/ Mark B. Mahoney

Name: Mark B. Mahoney

Title: President

GULF STREAM - COMPASS CLO 2002-I, LTD.

By: Gulf Stream Asset Management, LLC as Collateral Manager

By: /s/ Mark B. Mahoney

Name: Mark B. Mahoney

Title: President

HEWETT'S ISLAND CDO, LTD.

By: CypressTree Investment Management Company, Inc., as Portfolio Manager

By: /s/ Preston I. Carnes, Jr.

Name: Preston I. Carnes, Jr.

Title: Managing Director

INDOSUEZ CAPITAL FUNDING IIA, LIMITED

By: Indosuez Capital as Portfolio Advisor

By: /s/ Charles Kobayashi

Name: Charles Kobayashi

Title: Principal and Portfolio Manager

INDOSUEZ CAPITAL FUNDING III, LIMITED

By: Indosuez Capital as Portfolio Advisor

By: /s/ Charles Kobayashi

Name: Charles Kobayashi

Title: Principal and Portfolio Manager

INDOSUEZ CAPITAL FUNDING VI, LIMITED

By: Indosuez Capital as Collateral Manager

By: /s/ Charles Kobayashi

Name: Charles Kobayashi

Title: Principal and Portfolio Manager

LAUREL RIDGE CAPITAL LP

By: /s/ Van Nguyen

Name: Van Nguyen

Title: Managing Partner

LIBERTY FLOATING RATE ADVANTAGE FUND

By: Columbia Management Advisors, Inc. (f/k/a Stein Roe & Farnham Incorporated), As Advisor

By: /s/ James R. Fellows

Name: James R. Fellows

Title: Sr. Vice President & Portfolio Manager

MADELEINE L.L.C.

By: /s/ Kevin Genda

Name: Kevin Genda

Title: Vice President

MARINER LDC

By: Mariner Investment Group

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

MARINER OPPORTUNITIES FUND, LP

By: Mariner Investment Group

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

MARINER OPPORTUNITIES II, LP

By: Mariner Investment Group

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

PERRY PRINCIPALS INVESTMENTS, LLC

By: /s/ Nathaniel J. Klipper
Name: Nathaniel J. Klipper
Title: Managing Director

RIVERA FUNDING LLC

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

SRF 2000, INC.

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

SRF TRADING, INC.

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

**SPECIAL SITUATIONS INVESTING GROUP,
INC.**

By: /s/ Michael Mansour
Name: Michael Mansour
Title: Authorized Signatory

STANWICH LOAN FUNDING LLC

By: /s/ Ann E. Morris
Name: Ann E. Morris
Title: Assistant Vice President

STARK EVENT TRADING LTD.

By: /s/ Michael A. Roth
Name: Michael A. Roth
Title: Managing Member of the

Investment Manager of Stark Event Trading Ltd.

With immediate effect from February 18, 2003, Stark Event Trading, Ltd. expressly requests that it not be provided with any non-public information (including any non-public portions of the materials described in Section 5.01 of the Revolving Credit, Term Loan and Guarantee Agreement) relating to Borrower or any Guarantor. Stark Event Trading Ltd. reserves the right to revoke this election by providing the Borrower with express written notice of such revocation.

**STEIN ROE FLOATING RATE
LIMITED LIABILITY COMPANY**

By: Columbia Management Advisors, Inc. (f/k/a Stein
Roe & Farnham Incorporated), As Advisor

By: /s/ James R. Fellows
Name: James R. Fellows
Title: Sr. Vice President & Portfolio Manager

STONEHILL INSTITUTIONAL PARTNERS, L.P.

By: /s/ Christopher Wilson
Name: Christopher Wilson
Title: General Partner

SUNRISE PARTNERS LIMITED PARTNERSHIP

By: /s/ Michael J. Berner
Name: Michael J. Berner
Title: Vice President, Dawn General Partner Corp.,
General Partner

TORONTO DOMINION (NEW YORK), INC.

By: /s/ Stacey L. Malek
Name: Stacey L. Malek
Title: Vice President

TRUMBULL THC, LTD.

By: /s/ Stacey L. Malek
Name: Stacey L. Malek
Title: Attorney in Fact

UAL INVESTORS, L.L.C.

By: Farallon Capital Management, L.L.C., Its Manager

By: /s/ Derek Schrier
Name: Derek Schrier
Title: Managing Member

WATERSHED CAPITAL PARTNERS, L.P.

**WATERSHED CAPITAL INSTITUTIONAL
PARTNERS, L.P.**

By: WS Partners, L.L.C.

By: /s/ Merdee A. Moore
Name: Meridee A. Moore
Title: Senior Managing Member

**WATERSHED CAPITAL PARTNERS
(OFFSHORE) LTD.**

By: Watershed Asset Management, L.L.C.

By: /s/ Meridee A. Moore
Name: Meridee A. Moore
Title: Senior Managing Member

**SEVENTH AMENDMENT
TO REVOLVING CREDIT, TERM LOAN AND
GUARANTY AGREEMENT**

SEVENTH AMENDMENT, dated as of May 7, 2004 (the "Amendment"), to the REVOLVING CREDIT, TERM LOAN AND GUARANTY AGREEMENT, dated as of December 24, 2002, among UNITED AIR LINES, INC., a Delaware corporation (the "Borrower"), a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, UAL CORPORATION, a Delaware corporation and the parent company of the Borrower (the "Parent") and all of the direct and indirect subsidiaries of the Borrower and the Parent signatory thereto (the "Subsidiaries" and together with the Parent, each a "Guarantor" and collectively the "Guarantors"), each of which Guarantors referred to in this paragraph is a debtor and a debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, JPMORGAN CHASE BANK, a New York banking corporation ("JPMorgan Chase"), CITICORP USA, INC., a Delaware corporation ("CUSA"), BANK ONE, NA, a national banking corporation ("Bank One"), THE CIT GROUP/BUSINESS CREDIT, INC., a New York corporation ("CIT Group"), each of the other financial institutions from time to time party hereto (together with JPMorgan Chase, CUSA, Bank One and CIT Group, the "Lenders"), JPMORGAN CHASE BANK and CUSA, as co-administrative agents (together, the "Agents") for the Lenders and JPMORGAN CHASE BANK, as paying agent (in such capacity, the "Paying Agent") for the Lenders.

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors, the Lenders, the Paying Agent and the Agents are parties to that certain Revolving Credit, Term Loan and Guaranty Agreement, dated as of December 24, 2002 as heretofore amended, modified or supplemented, and as in effect on the date hereof, the "Credit Agreement";

WHEREAS, the Borrower and the Guarantors have requested that the Maturity Date of the Credit Agreement be extended to December 31, 2004, that the rates of interest under the Credit Agreement be reduced under certain circumstances, that the Total Commitments be reduced and that the Credit Agreement be otherwise amended as set forth herein, subject to and upon the terms and conditions set forth herein;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. As used herein, all terms that are defined in the Credit Agreement shall have the same meanings herein.

2. Amendments to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended by (A) deleting the definition of each of the following terms: "Aircraft Mortgage", "Bank One DIP", "Collateral Documents", "Flight Simulators", "Foreign Aviation Authorities", "Foreign Slot", "Maturity Date", "Orders", "Primary Foreign Slots", "Primary Routes", "Security and Pledge Agreement", "SGR Security Agreement", "Supporting Route Facilities", and "Tranche A Reserve" appearing therein, and inserting the following new definitions in appropriate alphabetical order:

""Aircraft Mortgage" shall mean that "Aircraft Mortgage" as defined in Section 4.01(e), as the same may be amended, modified, supplemented, extended or restated from time to time.

""Bank One DIP" shall mean that certain Debtor in Possession Credit Agreement dated as of December 24, 2002, among the Borrower, the Guarantors, the lenders from time to time party thereto, Bank One, as agent and Banc One Capital Markets, Inc. as lead arranger and sole bookrunner, as the same may be amended, modified, or supplemented, from time to time.

""Collateral Documents" shall mean, collectively, the Security and Pledge Agreement, the Aircraft Mortgage (including, without limitation, any Mortgage Supplement), the SGR Security Agreement, the Mortgage Amendment and other agreements, instruments or documents that create or purport to create a Lien in favor of the Collateral Agent for the benefit of the Lenders.

""Flight Simulators" shall mean the flight simulators and flight training devices of the Borrower or any applicable Guarantor other than the flight simulators listed on Schedule 1.01(a) (as such Schedule may be amended from time to time with the consent of the Agents to remove one or more flight simulators from such Schedule).

""Foreign Aviation Authorities" shall mean any foreign governmental, quasi-governmental, regulatory or other agencies or private entities which exercise jurisdiction over the issuance or authorization (i) to serve any foreign point on each of the Routes and/or operations related to the Routes and Supporting Route Facilities and/or (ii) to hold and operate any Foreign Slots.

""Foreign Slot" shall mean all of the rights and operational authority, now held or hereafter acquired, of Borrower and, if applicable, a Guarantor, to conduct one landing or takeoff at a specific time or in a specific time period on a specific day of the week at each non-U.S. airport served in conjunction with Borrower's, or, if applicable, a Guarantor's operations over a Route.

""Maturity Date" shall mean December 31, 2004.

"Orders" shall mean the Interim Order and the Final Order of the Bankruptcy Court referred to in Sections 4.01(b) and 4.02(d) and the Seventh Amendment Order.

"Primary Foreign Slots" shall mean the Foreign Slots set forth on Schedule 1.01(b), as such Schedule may be amended from time to time pursuant to Section 5.14(c) or Section 5.20(b).

"Primary Routes" shall mean the Routes set forth on Schedule 1.01(c), as such Schedule may be amended from time to time pursuant to Section 5.20(b) or Section 5.20(c).

"Security and Pledge Agreement" shall mean that certain Security and Pledge Agreement as defined in Section 4.01(c), as the same may be amended, modified, supplemented, extended or restated from time to time.

"SGR Security Agreement" shall mean that certain Slot, Gate and Route Security and Pledge Agreement as defined in section 4.01(d), as the same may be amended, modified, supplemented, extended or restated from time to time.

"Supporting Route Facilities" shall mean gates, ticket counters and other facilities at each non-U.S. airport necessary to operate a Route including, but not limited to, those at the following airports: London, Heathrow; Tokyo, Narita; Osaka, Kansai; Beijing, Capital Airport; Shanghai, Puo Dong; and Hong Kong, Hong Kong International; Frankfurt, Frankfurt Airport; Paris, Charles de Gaulle Airport; and Munich, Munich International Airport.

"Tranche A Reserve" shall mean an amount equal to \$100,000,000 which (except as otherwise provided in Section 2.01(a)(2)) shall be held back as a reserve from the availability of the Total Tranche A Commitment for maintenance of the Collateral and liquidation expenses.";

(B) deleting the definitions of the terms "Stage I", "Stage II" and "Stage II Threshold" appearing therein in their entirety;

(C) inserting the following new definitions of the terms "Mortgage Amendment" and "Seventh Amendment Order" in appropriate alphabetical order:

"Mortgage Amendment" shall mean that certain Amendment No. 1 to the Aircraft Mortgage dated as of May 7, 2004.

"Seventh Amendment Order" shall mean an order of the Bankruptcy Court in form and substance reasonably satisfactory to the Agents approving the execution of the Seventh Amendment dated as of May 7, 2004.";

(D) amending the definition of the term "Borrowing Base" by deleting the parenthetical clause "(it being understood that the reserves referred to in clauses (ii) and (iv) of this sentence shall not be applicable to extensions of credit in Stage I)" appearing at the end of the first sentence thereof;

(E) amending the definition of the term "EBITDAR" by (x) deleting the parenthetical clause appearing in clause (a)(iii) thereof, (y) inserting at the end of clause (a)(vi) thereof the words "and a one-time rent expense in an amount not in excess of \$44,000,000 paid in 2004 in connection with a settlement of the dispute relating to the Chicago O'Hare municipal bond transaction relating to the out-of-period portion (relating to 2004) of such rent expense" and (z) inserting at the end of clause (c) thereof the words ", provided, however, that a one-time amount not in excess of \$50,000,000 paid in respect of the Chicago O'Hare municipal bond transaction relating to the out-of-period portion (relating to 2003) of rent expense shall not be so deducted for purposes of this clause (c)".

(F) amending clause (d) of the definition of "Ineligible Collateral and Reserves Amount" to read in its entirety as follows:

"(d) an amount equal to the Orderly Liquidation Value of Borrowing Base Collateral located on vendor premises, and any additional amounts the Agents deem reasonably necessary."

3. Amendments to Section 2.01. Section 2.01 of the Credit Agreement is hereby amended by (A) deleting the words "Subject to the provisions of Section 2.01(c), at" appearing in the second sentence of subsection (a) thereof and inserting in lieu thereof the word "At"; (B) deleting the amount "\$800,000,000" appearing in clause (i)(A) of the second sentence of subsection (a) thereof and inserting in lieu thereof the amount "\$200,000,000"; (C) deleting the words "an amount equal to \$100,000,000 which shall be held back as a reserve from the availability of the Total Tranche A Commitment during Stage II for maintenance of the Collateral and liquidation expenses (the "Tranche A Reserve")" appearing in clause (i)(B) of the second sentence of subsection (a) thereof and inserting in lieu thereof the words "the Tranche A Reserve"; and (D) deleting subsections (c) and (d) thereof in their entireties.

4. Amendment to Section 2.03(a). Section 2.03(a) of the Credit Agreement is hereby amended by deleting the words "amounts permitted to be outstanding pursuant to Section 2.01(c)" appearing in clause (ii) thereof and inserting in lieu thereof the words "Total Tranche A Commitment".

5. Amendments to Section 2.08. Section 2.08 of the Credit Agreement is hereby amended by (A) deleting the amount "5.5%" appearing in subsection (a) thereof and inserting in lieu thereof the amount "4.5%"; (B) inserting the following proviso at the end of subsection (a) thereof:

", provided that, in the event the ATSB approves the guaranty of the exit financing applied for in the Application and the Agents notify the Borrower in writing that such approval is reasonably satisfactory in form and substance to them, then, as of the date the Application is approved, each ABR Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days or, when the Alternate Base Rate is based on the Prime Rate, a year with 365 days or 366 days in a leap year) at a rate per annum equal to the Alternate Base Rate plus 3.5%."; and

(C) deleting the amount "6.5%" appearing in subsection (b) thereof and inserting in lieu thereof the amount "5.5%"; and (D) inserting the following proviso at the end of sub-section (b) thereof:

", provided that, in the event the ATSB approves the guaranty of the exit financing applied for in the Application and the Agents notify the Borrower in writing that such approval is reasonably satisfactory in form and substance to them, then, as of the date the Application is approved, each Eurodollar Loan shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal, during each Interest Period applicable thereto, to the Adjusted LIBOR Rate for such Interest Period in effect for such Borrowing plus 4.5%."

6. Amendment to Section 2.09. Section 2.09 of the Credit Agreement is hereby amended in its entirety to read as follows:

"SECTION 2.09. **Default Interest**. In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the Borrower and the Guarantors shall on demand from time to time pay interest, to the extent permitted by law, on all Loans and overdue amounts (after as well as before judgment) (i) in the case of Borrowings consisting of Eurodollar Loans, at two percent (2%) in excess of the rate then in effect for each such Eurodollar Loan and (ii) in the case of all other amounts, at two percent (2%) in excess of the rate then in effect for each such amount."

7. Amendments to Section 2.13(b). Section 2.13(b) of the Credit Agreement is hereby amended by deleting the percentage "100%" wherever it appears in clauses (i)(x) and (i)(y) thereof and in clause (ii) thereof and inserting in lieu thereof the percentage "75%".

8. Amendment to Section 2.13(e). Section 2.13(e) of the Credit Agreement is hereby amended by inserting the following proviso at the end of the first sentence appearing therein:

", provided, that if, at the time of any prepayment pursuant to this Section 2.13(e), the amounts to be applied to prepay the Tranche A Loans shall exceed the Tranche A Loans outstanding at such time, then such excess portion of such prepayment shall be deposited into a reserve cash collateral account under the control of the Paying Agent to be held as collateral security in the event any additional Tranche A Loans shall be made in accordance with Section 2.01(a)(2)."

9. Amendments to Section 2.21. Section 2.21 of the Credit Agreement is hereby amended by (A) deleting the words "six and one half percent (6.5%)" appearing in clause (i) of the first sentence thereof and inserting in lieu thereof the words "five and one-half percent (5.5%)"; and (B) inserting the following proviso in clause (i) of the first sentence thereof immediately following the word "Outstandings" and immediately preceding the words "and (ii)":

", provided that, in the event the ATSB approves the guaranty of the exit financing applied for in the Application and the Agents notify the Borrower in writing that such approval is reasonably satisfactory in form and substance to them, then, as of the date the Application is approved, such fee shall be calculated at the rate of four and one-half percent (4.5%) per annum on the daily average Letter of Credit Outstandings,"

10. Amendment to Section 3.02. Section 3.02(a) of the Credit Agreement is hereby amended by inserting the word ", frequencies" immediately following the word "concessions" appearing in the fourth sentence of subsection (a) thereof.

11. Amendments to Section 3.09. Section 3.09 of the Credit Agreement is hereby amended by inserting the words "as further amended by the Vision - 100 Century of Aviation Reauthorization Act and" immediately following the words "Homeland Security Act of 2002 and" appearing in clause (i) thereof and immediately preceding the words "the maximum".

12. Amendment to Section 4.02. Section 4.02 of the Credit Agreement is hereby amended by deleting clause (h) in its entirety and inserting in lieu thereof the title "(h) Intentionally Omitted".

13. Amendments to Section 5.01. Section 5.01 of the Credit Agreement is hereby amended by (A) amending subsection (n) thereof to read in its entirety as follows:

"(n) on the fifth Business Day following the end of (i) each calendar month, a certificate of an Officer of the Borrower stating that the Borrower is monitoring its usage of each Slot identified on Schedule 5.01(n),

as the same shall be amended from time-to-time pursuant to Section 5.13(c), and is conducting its operations in a manner such that the Borrower should be able to meet the Use or Lose Rule for such Slots with respect to the applicable two-month FAA reporting Period; (ii) each calendar month in which the Borrower does not file with the FAA a report pursuant to 14 C.F.R. Part 93, a report in detail reasonably satisfactory to the Agents showing, for each airport listed on such Schedule 5.01(n), as same shall be amended from time-to-time pursuant to Section 5.13(c), the number of Slots held at that airport by applicable hour or half-hour allocation period (and, if applicable, separately setting forth those Slots that are designated as arrivals or departures) and the total number of operations the Borrower has conducted in each such allocation period during the one-month period covered by such report; provided, that if Borrower engages in any temporary trade, transfer, exchange or lease (collectively, a "Transfer") of a Slot identified on Schedule 5.01(n), as then in effect, the Borrower shall provide the Agents such information as the Agents may from time-to-time reasonably request regarding such Transfer; and (iii) each calendar month in which the Borrower files with the FAA a report on Slot utilization pursuant to 14 C.F.R. Part 93, a copy of such report, and a summary thereof, if reasonably requested by the Agents, in a format reasonably acceptable to the Agents."

; and (B) inserting the following new subsection (o) immediately following subsection (n) therein:

"(o) on the fifth Business Day following the end of each calendar month, (i) a certificate of an Officer of the Borrower stating that the Borrower is conducting its operations and monitoring its usage of each Primary Foreign Slot identified on Schedule 1.01(b), as the same shall be updated from time to time pursuant to Section 5.14(c) in a manner such that the Borrower should be able to meet the requisite 80%/20%, or other applicable utilization requirement, to retain its right to each such Primary Foreign Slot in the next comparable scheduling season; and (ii) for each Primary Foreign Slot listed on Schedule 1.01(b), as such Schedule shall be updated from time to time pursuant to Section 5.14(c), a Primary Foreign Slot Utilization Report, in a format reasonably acceptable to the Agents, showing by day of week the number of times Borrower canceled a service utilizing each such Primary Foreign Slot during the current IATA scheduling season."

14. Amendments to Section 5.03(b). Section 5.03(b) of the Credit Agreement is hereby amended to read in its entirety as follows:

"(b) Maintain in full force and effect war risk and terrorism insurance on all its property in an amount that is no less than the maximum amount available to the Borrower and the Guarantors from the DOT under the Federal Aviation Insurance Program, as amended by the Air Transportation Stabilization Act and Regulations and further amended by the Homeland Security Act of 2002, and as further amended by the Vision -100 Century of Aviation Reauthorization Act."

15. Amendment to Section 5.10. Section 5.10 of the Credit Agreement is hereby amended by inserting the word ", frequencies" immediately following the word "authorizations" appearing in clause (d) thereof.

16. Amendment to Section 5.13. Section 5.13 of the Credit Agreement is hereby amended by inserting the following new subsection (c) immediately following subsection (b) thereof:

"(c) Cause to be delivered to the Agents an updated Schedule 5.01(n) to replace the then-existing Schedule 5.01(n) within ten (10) Business Days after (i) the allocation to, or the acquisition, by whatever means, of any permanent Slot to be added to Borrower's FAA-approved base of Slots; (ii) any permanent disposition or transfer by Borrower of any Slot permitted pursuant to the terms of this Agreement and the SGR Security Agreement; or (iii) any reasonable request by the Agents to update such Schedule 5.01(n)."

17. Amendments to Section 5.14. Section 5.14 of the Credit Agreement is hereby amended by (A) inserting the following words at the end of subsection (a) thereof:

"other than with respect to two (2) Primary Foreign Slots in connection with one non-stop round trip frequency during the winter off-peak season 2004/2005; it being understood that the two Primary Foreign Slots shall not include any of the Primary Foreign Slots located at London Heathrow Airport or Tokyo Narita Airport."

; (B) inserting the following words at the end of the first sentence appearing in subsection (b) thereof:

"other than with respect to two (2) Primary Foreign Slots in connection with one non-stop round trip frequency during the winter off-peak season 2004/2005; it being understood that the two Primary Foreign Slots shall not include any of the Primary Foreign Slots located at London Heathrow Airport or Tokyo Narita Airport."

; and (C) inserting the following new subsection (c) immediately following subsection (b) thereof:

"(c) Cause to be delivered to the Agents an updated Schedule 1.01(b) to replace the then-existing Schedule 1.01(b) within ten (10) Business Days after (i) the allocation to, or acquisition by, Borrower of an

additional slot at any airport outside the United States listed on Schedule 1.01(b); (ii) any permanent disposition or transfer of any Primary Foreign Slot permitted pursuant to the terms of this Agreement and the SGR Security Agreement; or (iii) any reasonable request by the Agents to update such Schedule 1.01(b)."

18. Amendment to Section 5.15(a). Section 5.15(a) of the Credit Agreement is hereby amended by deleting the words "certificates, bilateral authorizations" appearing therein and inserting in lieu thereof the words "certificates, permits, bilateral or multi-lateral authorizations".

19. Amendments to Section 5.20. Section 5.20 of the Credit Agreement is hereby amended by (A) deleting the word "Upon" appearing at the beginning of subsection (a) thereof and inserting in lieu thereof the words "Within thirty (30) days of"; and (B) inserting the following new subsection (c) immediately following subsection (b) thereof:

"(c) Cause to be delivered to the Agents an updated Schedule 1.01(c) to replace the then-existing Schedule 1.01(c) within ten (10) Business Days of any disposition or permanent transfer of any Primary Route which is permitted pursuant to the terms of this Agreement and the SGR Security Agreement."

20. Amendment to Section 6.04. Section 6.04 of the Credit Agreement is hereby amended by (i) inserting the designation "(a)" at the beginning thereof, (ii) deleting from the table appearing therein the date "June 30, 2004" and the amount appearing opposite such date and (iii) inserting the following as subsection (b) thereof:

"(b) Make Capital Expenditures during the period commencing on April 1, 2004 and ending on December 31, 2004 in an aggregate amount in excess of \$375,000,000 and, promptly after the end of each fiscal month, commencing with the fiscal month ending April 30, 2004, the Borrower shall deliver a report showing that during the period commencing April 1, 2004 through the end of such fiscal month Capital Expenditures made by the Borrower and the Guarantors shall have not exceeded \$375,000,000 in the aggregate."

21. Amendments to Section 6.05. Section 6.05(b) of the Credit Agreement is hereby amended by (i) deleting from the table appearing therein the date "May 31, 2004" and the amount appearing opposite such date and (ii) inserting the following at the foot of the table appearing therein:

<u>Month</u>	<u>EBITDAR</u>
May 31, 2004	\$1,369,000,000
June 30, 2004	\$1,333,000,000
July 31, 2004	\$1,364,000,000
August 31, 2004	\$1,354,000,000
September 30, 2004	\$1,463,000,000
October 31, 2004	\$1,507,000,000
November 30, 2004	\$1,511,000,000

22. Amendment to Section 6.11. Section 6.11 of the Credit Agreement is hereby amended by (A) deleting the word "and" immediately preceding clause (xv) appearing therein and (B) inserting the following new clause (xvi):

"; and (xvi) from and after the effective date of the Seventh Amendment dated as of May 7, 2004, the sale or other disposition by the Borrower of ownership interests which it holds in Orbitz in addition to the sales or dispositions permitted pursuant to clause 6.11(xiv)(B), provided that 75% of the Net Proceeds of sales or dispositions permitted by this clause 6.11(xvi) shall be applied as a prepayment of the Loans in accordance with Section 2.13(e)."

23. Amendments to Section 10.03. Section 10.03(b) of the Credit Agreement is hereby amended by inserting immediately following the words "another Lender" in clause (i) of the proviso appearing therein the following:

"that has a Tranche A Commitment in the case of an assignment with respect to a Tranche A Commitment, or to another Lender in the case of an assignment with respect to a Tranche B Commitment."

24. Amendments to Section 10.10(a). Section 10.10(a) of the Credit Agreement is hereby amended by amending the first sentence thereof by (x) deleting the parenthetical clause "(including, without limitation, the provisions of Section 2.01(c))" appearing in the second line thereof, (y) deleting the words "amend, waive or modify any condition to the initial extension of credit during Stage II as set forth in Section 4.02(h), (ii)" appearing in clause (3) of the "provided, however" clause thereof and (z) changing the designation "(iii)" appearing in such clause (3) to the designation "(ii)".

25. Amendment to Schedule 1.01(b). Schedule 1.01(b) is hereby replaced in its entirety with the new Schedule 1.01(b) attached hereto as Exhibit A.

26. Amendments to List of Schedules in Table of Contents. The List of Schedules in the Table of Contents of the Credit Agreement is hereby amended by adding the following listing in appropriate numerical order: "Schedule 5.01(o) - - Primary Foreign Slots."

27. Conditions to Amendment Effectiveness. The amendments set forth in this Amendment shall not become effective until the date (the "Effective Date") on which the following conditions precedent shall have been satisfied (or waived by the Required Lenders):

(a) Execution. This Amendment shall have been executed by the Borrower, the Guarantors and each of the Lenders and each Agent shall have received evidence reasonably satisfactory to it of such execution (provided, that if this Amendment is executed by fewer than all of the Lenders but is executed by Lenders constituting the Super-majority Lenders, then this Amendment may nonetheless become effective in accordance with the provisions of Section 10.10(b) of the Credit Agreement and the Tranche A Commitment and/or the Tranche B Commitment, as the case may be, of one or more of the Super-majority Lenders shall be increased as more fully set forth in paragraph 28 below).

(b) Bankruptcy Court Order. The Bankruptcy Court shall have entered an order reasonably satisfactory in form and substance to the Agents approving the terms of this Amendment which order shall be in full force and effect, and shall not have been vacated, stayed, reversed, modified or amended in any respect that the Agents reasonably determine to be adverse to the interests of the Lenders; and, if such order is the subject of a pending appeal in any respect, the continued performance by the Borrower or any of the Guarantors of any of their respective obligations under the Credit Agreement or under the Loan Documents or under any other instrument or agreement referred to therein shall not be the subject of a presently effective stay pending appeal.

(c) Mortgage Amendment. The Borrower shall have duly executed and delivered to the Collateral Agent a Mortgage Amendment, in substantially the form of Exhibit B, and the Collateral Agent shall have received evidence that the Mortgage Amendment has been recorded with the FAA.

(d) Bank One DIP Waiver. The Agents shall have received satisfactory evidence that any defaults arising under the Bank One DIP shall have been waived by the Bank One Lenders.

(e) Opinions of Counsel. The Agents and the Collateral Agent shall have received:

(i) a favorable written opinion of Kirkland & Ellis LLP, counsel to the Borrower and the Guarantors, dated the Effective Date, substantially in the form of Exhibit C; and

(ii) a favorable written opinion of McAfee & Taft, special counsel to the Agents, dated the Effective Date, with respect to the Liens of the Aircraft Mortgage, and reasonably satisfactory in form and substance to the Collateral Agent.

(f) Corporate and Judicial Proceedings. All corporate and judicial proceedings and all instruments and agreements in connection with the transactions among the Borrower, the Guarantors, the Agents and the Lenders contemplated by this Amendment shall be reasonably satisfactory in form and substance to the Lenders, and the Agents and the Lenders shall have received all information and copies of all documents and papers, including records of corporate and judicial proceedings, which the Agents may have reasonably requested in connection herewith, such documents and papers where appropriate to be certified by proper corporate, governmental or judicial authorities.

28. Implementation of Section 10.10(b) of the Credit Agreement.

(a) This Amendment has been executed by Lenders constituting the Super-majority Lenders and, pursuant to Section 10.10(b) of the Credit Agreement, shall become effective upon satisfaction of the conditions set forth in paragraph 27 above. On the Effective Date, (i) the Tranche A Commitments and the Tranche B Commitments, as the case may be, of the Minority Lenders shall be terminated, (ii) the Tranche A Commitments and/or the Tranche B Commitments of certain of the Super-majority Lenders (the "Increasing Lenders") shall be increased so that on and after the Effective Date the Tranche A Commitments and the Tranche B Commitments of all of the Super-majority Lenders (including the Increasing Lenders) shall equal the Total Commitment, as reduced by this Amendment, (iii) the Increasing Lenders shall make additional non-pro rata Loans to the Borrower in an aggregate amount necessary to repay in full the outstanding Loans of the Minority Lenders before giving effect to this Amendment and in accordance with their respective Tranche A Commitment Percentages and Tranche B Commitment Percentages after giving effect to the increases referred to in the preceding clause, (iv) if any Letters of Credit are outstanding on the Effective Date, the undivided interests and participations therein of Minority Lenders that are Tranche A Lenders before giving effect to this Amendment shall terminate and each of the Increasing Lenders shall be deemed to have purchased from the Fronting Bank pursuant to Section 2.03(e) of the Credit Agreement an undivided interest and participation in such Letters of Credit to the extent of the increase in such Increasing Lender's Tranche A Commitment Percentage, (v) the Borrower shall pay any accrued but unpaid interest and Fees owing to the Minority Lenders as of the Effective Date and (vi) the Minority Lenders shall no longer be Lenders under the Credit Agreement.

(b) Annex A to the Credit Agreement is hereby replaced in its entirety by the revised Annex A attached hereto as Exhibit D. The Tranche A Commitment and the Tranche B Commitment of each of the Super-majority Lenders after giving effect to this paragraph 28 is reflected on revised Annex A.

(c) The signature pages of the Credit Agreement are hereby amended to conform to the signature pages hereto.

29. Ratification. Except to the extent hereby amended, the Credit Agreement and each of the Loan Documents remain in full force and effect and are hereby ratified and affirmed.

30. Costs and Expenses. The Borrower agrees that its obligations set forth in Section 10.05 of the Credit Agreement shall extend to the preparation, execution and delivery of this Amendment, including the reasonable fees and disbursements of special counsel to the Agents.

31. Representations and Warranties. The Borrower represents and warrants to the Lenders, to induce the Lenders to enter into this Amendment, that no Event of Default or event with the passage of time would constitute an Event of Default exists on the date hereof and that each of the representations and warranties made by the Borrower in the Credit Agreement and each other Loan Document are true and correct in all material respects as of the date hereof except where such representation or warranty relates to a specific date, in which such representation or warranty shall be true and correct as of such date.

32. References. This Amendment shall be limited precisely as written and shall not be deemed (a) to be a consent granted pursuant to, or a waiver or modification of, any other term or condition of the Credit Agreement or any of the instruments or agreements referred to therein or (b) to prejudice any right or rights which the Agents or the Lenders may now have or have in the future under or in connection with the Credit Agreement or any of the instruments or agreements referred to therein. Whenever the Credit Agreement is referred to in the Credit Agreement or any of the instruments, agreements or other documents or papers executed or delivered in connection therewith, such reference shall be deemed to mean the Credit Agreement as modified by this Amendment.

33. Amendment and Restatement. Upon the occurrence of the Effective Date, (a) the Credit Agreement will be deemed to have been amended and restated to reflect all of the changes made to the Credit Agreement through and including the Effective Date of this Amendment, and (b) the Agents will promptly make available to the Borrower, the Guarantors and the Lenders a composite conformed copy of the Credit Agreement reflecting such amendment and restatement.

34. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. A fax copy of a counterpart signature page shall serve as the functional equivalent of a manually executed copy for all purposes.

35. Applicable Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Seventh Amendment to be duly executed as of the day and the year first written.

BORROWER:

UNITED AIR LINES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President & CFO

GUARANTORS:

UAL CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Executive Vice President & CFO

UAL LOYALTY SERVICES, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

UAL COMPANY SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

CONFETTI, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

MILEAGE PLUS HOLDINGS, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

MILEAGE PLUS MARKETING, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

MYPOINTS.COM, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

CYBERGOLD, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

ITARGET.COM, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

MYPOINTS OFFLINE SERVICES, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

UAL BENEFITS MANAGEMENT, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

UNITED BIZ JET HOLDINGS, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

BIZJET CHARTER, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

BIZJET FRACTIONAL, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

BIZJET SERVICES, INC.

By: /s/ Steven M. Rasher
Name: Steven M. Rasher
Title: Senior Vice President,
General Counsel & Secretary

KION LEASING, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

**PREMIER MEETING AND TRAVEL
SERVICES, INC.**

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President and Treasurer

UNITED AVIATION FUELS CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

UNITED COGEN, INC.

By: /s/ Paul Lovejoy
Name: Paul Lovejoy
Title: Vice President & Secretary

MILEAGE PLUS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

UNITED GHS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

UNITED WORLDWIDE CORPORATION

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

UNITED VACATIONS, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: Vice President

FOUR STAR LEASING, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

AIR WIS SERVICES, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

AIR WISCONSIN, INC.

By: /s/ Frederic F. Brace
Name: Frederic F. Brace
Title: President

**DOMICILE MANAGEMENT SERVICES,
INC.**

By: /s/ Paul Lovejoy
Name: Paul Lovejoy
Title: Vice President & Secretary

LENDERS:

JPMORGAN CHASE BANK

By: /s/ Matthew H. Massie
Name: Matthew H. Massie
Title: Managing Director

CITICORP USA, INC.

By: /s/ James J. McCarthy
Name: James J. McCarthy
Title: Director/Vice President

BANK ONE, NA

By: /s/ Patrick J. Fravel
Name: Patrick J. Fravel
Title: Associate Director

CIT GROUP/BUSINESS CREDIT INC.

By: /s/ Vincent Belcastro
Name: Vincent Belcastro
Title: Vice President

ABLECO FINANCE LLC

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Senior Vice President

A3 FUNDING LP

By: A3 Fund Management LLC
Its: General Partner

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Vice President

A4 FUNDING LP

By: A4 Fund Management, Inc.
Its: General Partner

By: /s/ Kevin Genda
Name: Kevin Genda
Title: Vice President

**ARES LEVERAGED INVESTMENT FUND
II, L.P.**

By: Ares Management II, L.P.
Its: General Partner

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

ARES VI CLO LTD.

By: Ares CLO Management VI, L.P., Investment
Manager

By: Ares CLO GP VI, LLC, Its Managing
Member

By: /s/ Seth J. Brufsky
Name: Seth J. Brufsky
Title: Vice President

ARES VII CLO LTD.

By: Ares CLO Management VII, L.P., Investment
Manager

By: Ares CLO GP VII, LLC, Its
General Partnerr

By: /s/ Seth J.Brufsky
Name: Seth J. Brufsky
Title: Vice President.

BANK OF LINCOLNWOOD

By: /s/ Richard R. Robbins
Name: Richard R. Robbins
Title: President/Chief Operating Officer

CANPARTNERS INVESTMENTS IV, LLC

By: /s/ R. Christian B. Evensen
Name: R. Christian B. Evensen
Title: Authorized Member

CANYON CAPITAL CDO 2002-1 LTD.

By: Canyon Capital Advisors LLC, its Collateral
Manager

By: /s/ R. Christian B. Evensen
Name: R. Christian B. Evensen
Title: Authorized Signatory

CANYON CAPITAL CLO 2004-1 LTD.

By: Canyon Capital Advisors LLC, its Collateral
Manager

By: /s/ R. Christian B. Evensen
Name: R. Christian B. Evensen
Title: Managing Director

CASPIAN CAPITAL PARTNERS, LP

By: Mariner Investment Group

By: /s/ Charles R. Howe II

Name: Charles R. Howe II

Title: Treasurer

**COLUMBIA FLOATING RATE
ADVANTAGE FUND**

By: Highland Capital Management, L.P., its
Investment Advisor

By: /s/ Todd Travers

Name: Todd Travers

Title: Senior Portfolio Manager

**COLUMBIA FLOATING RATE LIMITED
LIABILITY COMPANY**

By: Highland Capital Management, L.P., its
Investment Advisor

By: /s/ Todd Travers

Name: Todd Travers

Title: Senior Portfolio Manager

CONTINENTAL CASUALTY COMPANY

By: /s/ Marilou R. McGirr

Name: Marilou R. McGirr

Title: Vice President and Assistant Treasurer

**DEEPHAVEN DISTRESSED
OPPORTUNITIES TRADING LTD.**

By: /s/ Peter H. Glerum

Name: Peter H. Glerum

Title: Assistant Portfolio Manager

DESJARDIN LIFE ASSURANCE COMPANY

By: /s/ Louis T. Hanover

Name: Louis T. Hanover

Title: Authorized Signatory

DK ACQUISITION, L.P.

By M.H. Davidson & Co, its general partner

By: /s/ Michael Leffell

Name: Michael Leffell

Title: Partner

**DRAWBRIDGE SPECIAL OPPORTUNITIES
FUND LP**

By: Drawbridge Special Opportunities GP LLC,
its general partner

By: /s/ Marc K. Furstein
Name: Marc K. Furstein
Title: Chief Operating Officer

**GULF STREAM - COMPASS CLO 2002-1
LTD**

By: Gulf Stream Asset Management LLC As
Collateral Manager

By: /s/ Mark D. Abraham
Name: Mark D. Abraham
Title: Trader

**GULF STREAM - COMPASS CLO 2003-1
LTD**

By: Gulf Stream Asset Management LLC As
Collateral Manager

By: /s/ Mark D. Abraham
Name: Mark D. Abraham
Title: Trader

HEWETT'S ISLAND CDO, LTD.

By: CypressTree Investment Management
Company, Inc., as Portfolio Manager

By: /s/ Ricardo Cardona
Name: Ricardo Cardona
Title: Investment Analyst

**INDOSUEZ CAPITAL FUNDING IIA,
LIMITED**

By: Indosuez Capital as Portfolio Advisor

By: /s/ Charles Kobayashi
Name: Charles Kobayashi
Title: Principal and Portfolio Manager

**INDOSUEZ CAPITAL FUNDING III,
LIMITED**

By: Indosuez Capital as Portfolio Advisor

By: /s/ Charles Kobayashi
Name: Charles Kobayashi
Title: Principal and Portfolio Manager

**INDOSUEZ CAPITAL FUNDING VI,
LIMITED**

By: Indosuez Capital as Portfolio Advisor

By: /s/ Charles Kobayashi
Name: Charles Kobayashi
Title: Principal and Portfolio Manager

LAUREL RIDGE CAPITAL LP

By: /s/ Jenny Lee
Name: Jenny Lee
Title: Chief Financial Officer

**MARATHON SPECIAL OPPORTUNITY
MASTER FUND, LTD.**

By: /s/ Louis T. Hanover
Name: Louis T. Hanover
Title: Authorized Signatory

MARINER LDC

By: Mariner Investment Group

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

MARINER OPPORTUNITIES FUND, LP

By: Mariner Investment Group

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

MARINER OPPORTUNITIES II, LP

By: Opportunities II, LLC

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

**MORGAN STANLEY PRIME INCOME
TRUST**

By: /s/ Kevin Egan
Name: Kevin Egan
Title: Vice President

**OPPENHEIMER SENIOR FLOATING RATE
FUND**

By: /s/ Lisa Chaffee
Name: Lisa Chaffee
Title: Manager

PERRY PRINCIPALS INVESTMENTS, L.L.C.

By: /s/ Nathaniel J. Klipper
Name: Nathaniel J. Klipper
Title: Managing Director

RIVIERS FUNDING LLC

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

SOF INVESTMENTS, L.P.

By: /s/ Marc R. Lisker
Name: Marc R. Lisker
Title: General Counsel

**SPECIAL SITUATIONS INVESTING GROUP,
INC.**

By: /s/ Michael Mansour
Name: Michael Mansour
Title: Authorized Signatory

SRF TRADING, INC.

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

SRF 2000, INC.

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

STANWICH LOAN FUNDING LLC

By: /s/ Diana M. Himes
Name: Diana M. Himes
Title: Assistant Vice President

STARK EVENT TRADING LTD.

By: /s/ Michael A. Roth
Name: Michael A. Roth
Title: Authorized Person

**STONEHILL INSTITUTIONAL PARTNERS,
L.P.**

By: /s/ Christopher Wilson
Name: Christopher Wilson
Title: General Partner

SUNRISE PARTNERS LIMITED

PARTNERSHIP

By: /s/ Michael J. Berner
Name: Michael J. Berner
Title: Vice President Dawn General Partner
Corp., its General Partner

TORONTO DOMINION (NEW YORK), INC.

By: /s/ Stacey Malek
Name: Stacey Malek
Title: Vice President

TRILOGY PORTFOLIO COMPANY, LLC

By: /s/ Charles R. Howe II
Name: Charles R. Howe II
Title: Treasurer

TRUMBULL THC, LTD.

By: /s/ Tim Houghton
Name: Tim Houghton
Title: Attorney-in-Fact

UAL INVESTORS, L.L.C.

By: Farallon Capital Management, L.L.C., its
manager

By: /s/ Derek Schrier
Name: Derek Schrier
Title: Managing Member

VAN KAMPEN SENIOR INCOME TRUST

By: Van Kampen Investment Advisory Corp.

By: /s/ William Lenga
Name: William Lenga
Title: Executive Director

VAN KAMPEN SENIOR LOAN FUND

By: Van Kampen Investment Advisory Corp.

By: /s/ William Lenga
Name: William Lenga
Title: Executive Director

WATERSHED CAPITAL PARTNERS

Watershed Capital Institutional Partners, L.P.

By: WS Partners, L.L.C.

By: /s/ Meridee A. Moore
Name: Meridee A. Moore

Title: Senior Managing Member

**WATERSHED CAPITALPARTNERS
(OFFSHORE), LTD.**

By: Watershed Asset Management, L.L.C.

By: /s/ Meridee A. Moore

Name: Meridee A. Moore

Title: Senior Managing Member

May 13, 2004

United Air Lines, Inc.

Attention: General Counsel

Last April, after the passage of the Emergency Wartime Supplemental Appropriations Act ("Act"), I volunteered to reduce my annual Base Salary (as defined in my Employment Agreement with United dated September 5, 2002 and as amended on December 8, 2002 and February 17, 2003 ("Agreement")). That reduction was in addition to a reduction taken in December 2002. Now that the compensation restriction period set out in the Act has expired, at the request of the Board of Directors, I hereby revoke my April 4, 2003 letter in which I offered to take such additional reduction. This revocation is effective as of the date of this letter. I understand and agree that neither this letter nor my April 4, 2003 letter is an amendment to my Agreement.

In all other respects, the provisions of the Agreement remain unchanged and in full force and effect.

Sincerely,

/s/ Glenn F. Tilton

Glenn F. Tilton
President, Chairman and CEO

Agreed and Confirmed this 13th day
of May, 2004

UAL CORPORATION

UNITED AIR LINES, INC.

By: /s/ Paul R. Lovejoy

By: /s/ Paul R. Lovejoy

Title: Senior Vice President, General
Counsel and Secretary

Title: Senior Vice President, General
Counsel and Secretary

July 29, 2004

United Air Lines, Inc.

Attention: General Counsel

In April 2003, after the passage of the Emergency Wartime Supplemental Appropriations Act ("Act"), I volunteered to reduce my annual Base Salary (as defined in my Employment Agreement with United dated September 5, 2002 and as amended on December 8, 2002 and February 17, 2003 ("Agreement")). That reduction was in addition to a reduction taken in December 2002. On May 13, 2004, with the expiration of the compensation period set forth in the Act and at the request of the UAL Corporation Board of Directors, I revoked my April 4, 2003 letter in which I offered to take such additional reduction.

In light of the Air Transportation Stabilization Board's rejection of United's application for a loan guarantee and the Company's current situation, I have made the decision to again voluntarily reduce my Base Salary and hereby revoke my May 13, 2004 letter. This revocation is effective August 1, 2004. I understand and agree that neither this letter nor my May 13, 2004 letter is an amendment to my Agreement.

In all other respects, the provisions of the Agreement remain unchanged and in full force and effect.

Sincerely,

/s/ Glenn F. Tilton

Glenn F. Tilton
President, Chairman and CEO

Agreed and Confirmed this 29th day
of July, 2004

UAL CORPORATION

By: /s/ Paul R. Lovejoy

Title: Senior Vice President, General
Counsel and Secretary

UNITED AIR LINES, INC.

By: /s/ Paul R. Lovejoy

Title: Senior Vice President, General
Counsel and Secretary

UAL Corporation and Subsidiary Companies
Computation of Ratio of Earnings to Fixed Charges

	Six Months Ended	
	<u>June 30</u>	
	<u>2004</u>	<u>2003</u>
	(In Millions)	
Earnings:		
Loss before income taxes	\$(706)	\$(1,965)
Fixed charges, from below	317	358
Undistributed losses of affiliates	2	2
Interest capitalized	(1)	(2)
Loss	\$(388)	\$(1,607)
Fixed charges:		
Interest expense	\$ 237	\$ 286
Portion of rental expense representative of the interest factor	<u>80</u>	<u>72</u>
Fixed charges	\$ <u>317</u>	\$ <u>358</u>
Ratio of earnings to fixed charges	(a)	(a)

(a) Earnings were inadequate to cover fixed charges by \$705 million in 2004 and \$2.0 billion in 2003.

UAL Corporation and Subsidiary Companies
Computation of Ratio of Earnings to Fixed Charges
and Preferred Stock Dividend Requirements

	Six Months Ended <u>June 30</u>	
	<u>2004</u>	<u>2003</u>
	(In Millions)	
Earnings:		
Loss before income taxes	\$ (706)	\$(1,965)
Fixed charges, from below	322	363
Undistributed losses of affiliates	2	2
Interest capitalized	(1)	(2)
Loss	<u>\$ (383)</u>	<u>\$(1,602)</u>
Fixed charges:		
Interest expense	\$ 237	\$ 286
Preferred stock dividend requirements	5	5
Portion of rental expense representative of the interest factor	<u>80</u>	<u>72</u>
Fixed charges	<u>\$ 322</u>	<u>\$ 363</u>
Ratio of earnings to fixed charges	(a)	(a)

(a) Earnings were inadequate to cover fixed charges and preferred stock dividend requirements by \$705 million in 2004 and \$2.0 billion in 2003.

Certification of the Principal Executive Officer

Pursuant to 15 U.S.C. 78m(a) or 78o(d)

(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Glenn F. Tilton, the Chairman, President and Chief Executive Officer of UAL Corporation (the ""Company""), certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2004 of the Company;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Glenn F. Tilton

Glenn F. Tilton

UAL Corporation

Chairman, President and Chief Executive Officer

July 28, 2004

Certification of the Principal Financial Officer

Pursuant to 15 U.S.C. 78m(a) or 78o(d)

(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Frederic F. Brace, the Executive Vice President and Chief Financial Officer of UAL Corporation (the "Company"), certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2004 of the Company;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Frederic F. Brace

Frederic F. Brace

UAL Corporation

Executive Vice President and Chief Financial Officer

July 30, 2004

Certification of the Chief Executive Officer

Pursuant to 18 U.S.C. 1350

(Section 906 of the Sarbanes-Oxley Act of 2002)

I, Glenn F. Tilton, the Chairman, President and Chief Executive Officer of UAL Corporation (the "Company") certify that to the best of my knowledge, based upon a review of the quarterly report on Form 10-Q for the period ended June 30, 2004 of the Company (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Glenn F. Tilton

Glenn F. Tilton

UAL Corporation

Chairman, President and Chief Executive Officer

July 28, 2004

Certification of the Chief Financial Officer

Pursuant to 18 U.S.C. 1350

(Section 906 of the Sarbanes-Oxley Act of 2002)

I, Frederic F. Brace, the Executive Vice President and Chief Financial Officer of UAL Corporation (the "Company") certify that to the best of my knowledge, based upon a review of the quarterly report on Form 10-Q for the period ended June 30, 2004 of the Company (the "Report"):

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frederic F. Brace

Frederic F. Brace

UAL Corporation

Executive Vice President and Chief Financial Officer

July 30, 2004