

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the

Securities Exchange Act of 1934

For the Fiscal Year Ended December 31, 1997

Employees' Stock Purchase Plan of UAL Corporation

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(Full title of the Plan)

UAL Corporation

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(Employer sponsoring the Plan, issuer of the  
participations in the Plan and issuer of  
the shares held pursuant to the Plan)

1200 Algonquin Road, Elk Grove Township, Illinois  
Mailing Address:

UAL Corporation, P.O. Box 66919, Chicago, Illinois 60666

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(Address of principal executive offices)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To UAL Corporation:

We have audited the accompanying statements of financial position of the Employees' Stock Purchase Plan of UAL Corporation (the "Plan") as of December 31, 1997 and 1996 and the related statements of changes in participants' equity for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Plan's administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Plan's administrator, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position

of the Plan as of December 31, 1997 and 1996 and the changes in its participants' equity for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Chicago, Illinois  
March 26, 1998

Signature

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Pursuant to the requirements of the Securities Exchange Act of 1934, the sponsor and issuer of the participants of the Plan, UAL Corporation has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

UAL Corporation

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Administrator

Dated March 26, 1998

By /s/ Douglas A. Hacker

Douglas A. Hacker  
Senior Vice President and  
Chief Financial Officer

EMPLOYEES' STOCK PURCHASE PLAN  
OF UAL CORPORATION

STATEMENTS OF FINANCIAL POSITION

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(In Thousands, Except Number of Shares)

	December 31	
	1997	1996
	----	----
ASSETS		
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Participants' payroll deductions receivable from UAL Corporation	\$ 684	\$ 145
Investment in common stock of UAL Corporation, at quoted market value (1997 - 506,971 shares, cost \$17,283; 1996 - 525,053 shares, cost \$14,803 - Note 8).	46,895	32,914
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	\$47,579	\$33,059
	=====	=====

LIABILITIES AND PARTICIPANTS' EQUITY

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Payable to terminating and partially withdrawing participants, at quoted market value (1997 - 170 shares, cost \$ 6; 1996 - 12,943 shares, cost \$388 - Note 8).	\$ 16	\$ 812
Participants' equity	47,563	32,247
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	\$47,579	\$33,059
	=====	=====

The accompanying notes to financial statements are an integral part of these statements.

EMPLOYEES' STOCK PURCHASE PLAN  
OF UAL CORPORATION

STATEMENTS OF CHANGES IN PARTICIPANTS' EQUITY

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(In Thousands)

	Year 1997	Year Ended December 1996	31 1995
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Balance at beginning of year	\$32,247	\$22,146	\$11,089
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Increase (decrease) during year:			
Participants' payroll deductions	5,576	3,849	2,975
Realized gain on stock distributed to participants	3,682	1,312	1,208
Unrealized appreciation (depreciation) in value of investment	11,501	8,086	10,408
Stock and cash for fractional shares distributed or amounts payable to participants, at market value	(5,443)	(3,146)	(3,534)
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	15,316	10,101	11,057
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Balance at end of year	\$47,563	\$32,247	\$22,146
	=====	=====	=====

The accompanying notes to financial statements are an integral part of these statements.

EMPLOYEES' STOCK PURCHASE PLAN  
OF UAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

(1) The Plan

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The Employees' Stock Purchase Plan of UAL Corporation (the "Plan") is sponsored by UAL Corporation ("UAL"). UAL offers participation in the Plan to eligible employees of UAL and its subsidiaries.

(2) Purchase and Distribution of Stock

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Purchases are made by the Plan monthly, and the shares purchased are credited to the accounts of each participant on the basis of the ratio of the participant's contribution to total participants' contributions for the month. The cost of common

stock purchased for the Plan includes all brokerage charges involved in the purchase.

When shares of stock are distributed to the individual participants pursuant to the terms of the Plan, the market value of such shares is removed from the investment account of the Plan.

Terminating participants receive a certificate for the full number of shares, plus cash for the fractional shares, held for their accounts. Partially withdrawing participants receive certificates for the full number of shares withdrawn. There are no forfeiture provisions under the Plan with respect to participants' contributions.

(3) Investment in Common Stock of UAL  
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The investment in common stock of UAL is valued at the year-end published market prices as reported by the New York Stock Exchange.

(4) Realized Gain on Stock Distributed to Participants  
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Gains on stock distributed to participants are realized to the extent of the difference between the weighted average cost of shares distributed and the market value at the date of distribution.

(5) Unrealized Appreciation (Depreciation) in Value of Investment  
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The unrealized appreciation (depreciation) in the value of investment is the change from the prior year-end to the current year-end in the difference between the market value and the cost of the investment.

The following is a summary of unrealized appreciation (depreciation):

	1997	1996	1995
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	(In Thousands)		
Balance at beginning of year	\$18,111	\$10,025	\$ (383)
Increase (decrease) during year	11,501	8,086	10,408
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Balance at end of year	\$29,612	\$18,111	\$10,025
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(6) Administrative Expenses of the Plan  
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All administrative expenses of the Plan are paid by UAL.

(7) Federal Income Tax  
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Under existing federal income tax laws, the Plan is not subject to federal income tax. Any dividend income is taxable to the participants upon distribution and receipt. When any shares of stock or rights acquired under the Plan are sold by or for a participant, any gain or loss must be recognized by that participant.

(8) Stock Split  
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In April 1996, the shareholders of UAL approved a four-for-one split of the UAL's common stock in the form of a 300% dividend effective at the close of business on May 6, 1996.

Consent of Independent Public Accountants  
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As independent public accountants, we hereby consent to the incorporation of our report included in this Form 11-K for the year ended December 31, 1997, into UAL Corporation's previously filed Post-Effective Amendment No. 1 to Form S-8 (File No. 2-67368) and Post-Effective Amendment No. 2 to Form S-8 (File No. 33-37613) for the Employees' Stock Purchase Plan of UAL Corporation.

/s/ Arthur Andersen

Arthur Andersen LLP

Chicago, Illinois  
March 26, 1998