UNITED AIRLINES, INC.
Form 424B2
October 25, 2017
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-203630-01

CALCULATION OF REGISTRATION FEE

Title of each class of securities offered	Maximum aggregate offering price	Amount of registration fee
Class B Pass Through Certificates, Series 2016-2	$236,173,000	$29,403.54

(1) The filing fee of $29,403.54 is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

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PROSPECTUS SUPPLEMENT TO PROSPECTUS, DATED APRIL 24, 2015

$236,173,000

2016-2 PASS THROUGH TRUSTS

CLASS B PASS THROUGH CERTIFICATES, SERIES 2016-2

United Airlines Class B Pass Through Certificates, Series 2016-2, are being offered under this prospectus supplement. The Class AA Pass Through Certificates and the Class A Pass Through Certificates of the same series were originally issued on September 27, 2016, and are not being offered under this prospectus supplement. The Class B certificates will rank junior in right of distributions to such Class AA and Class A certificates. The Class B certificates represent interests in the Class B trust to be established in connection with this offering. The proceeds from the sale of the Class B certificates will be used by the Class B trust to acquire Series B equipment notes. The Series B equipment notes will be issued by United Airlines, Inc. and will be secured by 13 Boeing aircraft currently owned by United that were delivered new to United between December 2016 and June 2017. Payments on the Series B equipment notes held in the Class B trust will be passed through to the holders of Class B certificates.

Interest on the Series B equipment notes will be payable semiannually on each April 7 and October 7, beginning April 7, 2018. Principal payments on the Series B equipment notes are scheduled on April 7 and October 7 of each year, beginning on April 7, 2018.

Commonwealth Bank of Australia, New York Branch, will provide the initial liquidity facility for the Class B certificates in an amount sufficient to make three semiannual interest payments.

The Class B certificates will not be listed on any national securities exchange.

Investing in the Class B certificates involves risks. See Risk Factors beginning on page S-17.

Pass Through Certificates	Face Amount	Interest Rate	Final Expected Distribution Date	Price to Public(1)
Class B	$236,173,000	3.65%	October 7, 2025	100%

(1) Plus accrued interest, if any, from the date of issuance.

The underwriters will purchase all of the Class B certificates if any are purchased. The aggregate proceeds from the sale of the Class B certificates will be $236,173,000. United will pay the underwriters a commission of $2,361,730. Delivery of the Class B certificates in book-entry form only will be made on or about November 6, 2017.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Lead Bookrunners

Credit Suisse **Goldman Sachs & Co. LLC** **Morgan Stanley**

Sole Structuring Agent

Bookrunners

Citigroup **Deutsche Bank Securities**

BofA Merrill Lynch **J.P. Morgan** **BNP Paribas** **Credit Agricole Securities**

The date of this prospectus supplement is October 23, 2017.

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CERTAIN VOLCKER RULE CONSIDERATIONS

None of the Trusts are or, immediately after the issuance of the Certificates pursuant to the Trust Supplements, will be a covered fund as defined in the final regulations issued December 10, 2013, implementing the Volcker Rule (Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act). In making the foregoing determination, each of the Trusts is relying on an analysis that the Trusts will not be deemed to be an investment company under Rule 3a-7 promulgated by the Securities and Exchange Commission (the Commission), under the Investment Company Act of 1940, as amended (the Investment Company Act), although other exemptions or exclusions under the Investment Company Act may be available to the Trusts.

PRESENTATION OF INFORMATION

These offering materials consist of two documents: (a) this Prospectus Supplement, which describes the terms of the certificates that we are currently offering, and (b) the accompanying Prospectus, which provides general information about our pass through certificates, some of which may not apply to the certificates that we are currently offering. The information in this Prospectus Supplement replaces any inconsistent information included in the accompanying Prospectus.

We have given certain capitalized terms specific meanings for purposes of this Prospectus Supplement. The Index of Terms attached as Appendix I to this Prospectus Supplement lists the page in this Prospectus Supplement on which we have defined each such term.

At various places in this Prospectus Supplement and the Prospectus, we refer you to other sections of such documents for additional information by indicating the caption heading of such other sections. The page on which each principal caption included in this Prospectus Supplement and the Prospectus can be found is listed in the Table of Contents below. All such cross references in this Prospectus Supplement are to captions contained in this Prospectus Supplement and not in the Prospectus, unless otherwise stated.

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Prospectus Supplement

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Prospectus

You should rely only on the information contained in this document or to which this document refers you. We have not authorized anyone to provide you with information that is different. This document may be used only where it is legal to sell these securities. The information in this document may be accurate only on the date of this document.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information from this Prospectus Supplement and the accompanying Prospectus and may not contain all of the information that is important to you. For more complete information about the Class B Certificates and United, you should read this entire Prospectus Supplement and the accompanying Prospectus, as well as the materials filed with the Securities and Exchange Commission that are considered to be part of this Prospectus Supplement and the Prospectus. See Incorporation of Certain Documents by Reference in this Prospectus Supplement and the Prospectus.

Summary of Terms of Certificates

	Previously Issued Class AA Certificates	Previously Issued Class A Certificates	Class B Certificates
Aggregate Face Amount(1)	$636,512,000	$283,081,000	$236,173,000
Interest Rate	2.875%	3.100%	3.65%
Initial Loan to Aircraft Value (cumulative)(2)(3)	40.2%	58.1%	73.0%
Highest Loan to Aircraft Value (cumulative)(2)(3)	40.2%	58.1%	73.0%
Expected Principal Distribution Window (in years from applicable original issuance date)	1.5 12.0	1.5 12.0	0.4 7.9
Initial Average Life (in years from applicable original issuance date)	9.1	9.1	5.4
Regular Distribution Dates	April 7 and October 7	April 7 and October 7	April 7 and October 7
Final Expected Distribution Date	October 7, 2028	October 7, 2028	October 7, 2025
Final Maturity Date	April 7, 2030	April 7, 2030	April 7, 2027
Minimum Denomination	$1,000	$1,000	$1,000
Section 1110 Protection	Yes	Yes	Yes
Liquidity Facility Coverage	3 semiannual interest payments	3 semiannual interest payments	3 semiannual interest payments

(1) The Class AA Certificates and Class A Certificates were originally issued September 27, 2016. The Class AA Certificates and Class A Certificates are not being offered pursuant to this Prospectus Supplement.
(2) These percentages are calculated as of November 6, 2017, the expected issuance date of the Class B Certificates. In calculating these percentages, we have assumed that the aggregate appraised value of the Aircraft subject to this Offering is $1,583,240,000 as of such date. The appraised value is only an estimate and reflects certain assumptions. See Description of the Aircraft and the Appraisals The Appraisals .
(3) See Loan to Aircraft Value Ratios .

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Equipment Notes and the Aircraft

The Series B Equipment Notes will have a security interest in 13 Aircraft currently owned by United. The Series AA Equipment Notes and the Series A Equipment Notes, which will rank senior to the Series B Equipment Notes in right of payment, were previously issued by United to finance the acquisition of such Aircraft and have a security interest in such Aircraft. The 13 Aircraft, which were delivered new to United between December 2016 and June 2017, consist of one Boeing 737-824 aircraft, three Boeing 737-924ER aircraft, two Boeing 787-9 aircraft and seven Boeing 777-322ER aircraft. See Description of the Aircraft and the Appraisals The Appraisals for a description of the 13 Aircraft. Set forth below is certain information about the Equipment Notes to be held in the Trusts and the 13 Aircraft that will secure such Equipment Notes:

Aircraft Model	Registration Number	Manufacturer s Serial Number	Delivery Month	Principal Amount of Senior Equipment Notes(1)	Principal Amount of Series B Equipment Notes	Appraised Value(2)
Boeing 737-824	N77538	63694	December 2016	$ 27,862,000	$ 6,222,000	$ 46,690,000
Boeing 737-924ER	N61898	62815	December 2016	29,357,000	7,180,000	50,050,000
Boeing 737-924ER	N63899	62816	December 2016	29,357,000	7,199,000	50,076,667
Boeing 737-924ER	N38479	62817	December 2016	29,357,000	7,197,000	50,073,333
Boeing 787-9	N29968	60141	January 2017	78,813,000	21,861,000	137,910,000
Boeing 787-9	N15969	60142	February 2017	78,877,000	22,140,000	138,380,000
Boeing 777-322ER	N2737U	62647	March 2017	92,150,000	23,146,000	157,940,000
Boeing 777-322ER	N2140U	62651	June 2017	92,226,000	23,647,000	158,730,000
Boeing 777-322ER	N2639U	62650	May 2017	92,226,000	23,457,000	158,470,000
Boeing 777-322ER	N2341U	63721	June 2017	92,303,000	23,570,000	158,730,000
Boeing 777-322ER	N2142U	63722	June 2017	92,303,000	23,570,000	158,730,000
Boeing 777-322ER	N2243U	63723	June 2017	92,381,000	23,492,000	158,730,000
Boeing 777-322ER	N2644U	63724	June 2017	92,381,000	23,492,000	158,730,000

(1) The principal amount of Senior Equipment Notes for an Aircraft represents the sum of the principal amount of the Series AA Equipment Notes and Series A Equipment Notes for such Aircraft.

(2) The appraised value of each Aircraft set forth above is the lesser of the average and median values of such Aircraft as appraised by three independent appraisal and consulting firms. Such appraisals indicate appraised base value as of the date set forth in such appraisal. These appraisals are based upon varying assumptions and methodologies. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value. See Risk Factors Risk Factors Relating to the Class B Certificates and the Offering The Appraisals are only estimates of Aircraft value and the appraisal letters included in Appendix II of this Prospectus Supplement.

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Loan to Aircraft Value Ratios

The following table sets forth loan to Aircraft value ratios (LTVs) for each Class of Certificates as of the Issuance Date and as of each Regular Distribution Date thereafter. The table should not be considered a forecast or prediction of expected or likely LTVs but simply a mathematical calculation based on one set of assumptions. See Risk Factors Risk Factors Relating to the Class B Certificates and the Offering The Appraisals are only estimates of Aircraft value .

	Assumed	Outstanding Balance(2)			LTV(3)		
	Aggregate						
Regular	Aircraft	Class AA	Class A	Class B	Class AA	Class A	Class B
Distribution Date	Value(1)	Certificates	Certificates	Certificates	Certificates	Certificates	Certificates
At Issuance Date	$ 1,583,240,000	$ 636,512,000	$ 283,081,000	$ 236,173,000	40.2%	58.1%	73.0%
April 7, 2018	1,561,183,533	619,688,366	275,598,893	226,059,110	39.7%	57.3%	71.8%
October 7, 2018	1,536,994,436	602,864,732	268,116,785	215,945,220	39.2%	56.7%	70.7%
April 7, 2019	1,512,805,340	586,041,098	260,634,678	205,831,330	38.7%	56.0%	69.6%
October 7, 2019	1,488,616,244	569,217,464	253,152,571	195,717,440	38.2%	55.2%	68.4%
April 7, 2020	1,464,427,148	552,393,829	245,670,464	185,603,550	37.7%	54.5%	67.2%
October 7, 2020	1,440,238,051	535,570,195	238,188,356	175,489,660	37.2%	53.7%	65.9%
April 7, 2021	1,416,048,955	518,746,561	230,706,249	165,375,770	36.6%	52.9%	64.6%
October 7, 2021	1,391,859,859	501,922,927	223,224,142	155,261,880	36.1%	52.1%	63.3%
April 7, 2022	1,367,670,763	485,099,293	215,742,035	145,147,990	35.5%	51.2%	61.9%
October 7, 2022	1,343,481,666	468,275,659	208,259,927	135,034,100	34.9%	50.4%	60.4%
April 7, 2023	1,319,292,570	451,452,025	200,777,820	124,920,210	34.2%	49.4%	58.9%
October 7, 2023	1,295,103,474	437,824,881	194,717,313	114,806,320	33.8%	48.8%	57.7%
April 7, 2024	1,270,914,378	424,197,737	188,656,806	104,692,430	33.4%	48.2%	56.5%
October 7, 2024	1,246,725,282	410,570,594	182,596,299	94,578,540	32.9%	47.6%	55.2%
April 7, 2025	1,222,536,185	396,943,450	176,535,793	84,464,650	32.5%	46.9%	53.8%
October 7, 2025	1,198,347,089	383,316,306	170,475,286		32.0%	46.2%	0.0%
April 7, 2026	1,174,157,993	369,689,163	164,414,779		31.5%	45.5%	0.0%
October 7, 2026	1,149,968,897	356,062,019	158,354,272		31.0%	44.7%	0.0%
April 7, 2027	1,125,779,800	342,434,875	152,293,765		30.4%	43.9%	0.0%
October 7, 2027	1,101,590,704	328,807,732	146,233,258		29.8%	43.1%	0.0%
April 7, 2028	1,077,401,608	315,180,588	140,172,751		29.3%	42.3%	0.0%
October 7, 2028	1,053,212,512				0.0%	0.0%	0.0%

(1) We have assumed that the initial appraised value of each Aircraft, determined as described under Equipment Notes and the Aircraft , declines by approximately 3% per year after the year of delivery of such Aircraft, in each case prior to the final expected Regular Distribution Date. Other rates or methods of depreciation may result in materially different LTVs. We cannot assure you that the depreciation rate and method used for purposes of the table will occur or predict the actual future value of any Aircraft. See Risk Factors Risk Factors Relating to the Class B Certificates and the Offering The Appraisals are only estimates of Aircraft value .

(2) In calculating the outstanding balances of each Class of Certificates, we have assumed that the Trusts will hold the Equipment Notes for all Aircraft. Outstanding balances as of each Regular Distribution Date are shown after giving effect to distributions expected to be made on such distribution date.

(3) The LTVs for each Class of Certificates were obtained for the Issuance Date and each Regular Distribution Date by dividing (i) the expected outstanding balance of such Class (together, in the case of the Class A Certificates and Class B Certificates, with the expected outstanding balance of the Certificates ranking senior in right of payment to such Class) after giving effect to the distributions of principal, if any, expected to be made on such date, by (ii) the assumed value of all of the Aircraft on such date based on the assumptions described above. The outstanding balances and LTVs of each Class of Certificates will change if the Trusts do not hold Equipment Notes with respect to all the Aircraft.

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Cash Flow Structure

Set forth below is a diagram illustrating the structure of the Certificates and certain cash flows.

(1) The Equipment Notes with respect to each Aircraft will be issued under a separate Indenture.
(2) The Liquidity Facility for each of the Class AA Certificates, the Class A Certificates and the Class B Certificates is expected to be sufficient to cover up to three consecutive semiannual interest payments with respect to such Class.
(3) The proceeds of the offering of the Class B Certificates will be used by the Class B Trust to purchase Series B Equipment Notes on the Issuance Date. The scheduled payments of interest on the Series B Equipment Notes will be sufficient to pay accrued interest on the outstanding Class B Certificates.

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The Offering

Certificates Offered	Class B Pass Through Certificates, Series 2016-2.
	The Class AA Certificates and Class A Certificates of the same series were issued on September 27, 2016 and are not being offered under this prospectus supplement. Each Class of Certificates will represent a fractional undivided interest in the related Trust.
Use of Proceeds	The proceeds from the sale of the Class B Certificates will be used by the Class B Trust to acquire Series B Equipment Notes on the Issuance Date. The proceeds from the sale of the Series B Equipment Notes will be used for United s general corporate purposes.
Subordination Agent, Trustee and Loan Trustee	Wilmington Trust, National Association.
Liquidity Provider	Commonwealth Bank of Australia, New York Branch.
Trust Property	The property of the Class B Trust will include:
	Series B Equipment Notes acquired by the Class B Trust.
	All monies receivable under the Liquidity Facility for the Class B Trust.
	Funds from time to time deposited with the Class B Trustee in accounts relating to the Class B Trust, including payments made by United on the Series B Equipment Notes held in the Class B Trust.
Purchase of Series B Equipment Notes	On the Issuance Date, the Class B Trust will purchase the Series B Equipment Notes issued by United with respect to each Aircraft pursuant to the Note Purchase Agreement.
Regular Distribution Dates	April 7 and October 7, commencing on April 7, 2018.

Record Dates	The fifteenth day preceding the related Distribution Date.
Distributions	The Class B Trustee will distribute all payments of principal, premium (if any) and interest received on the Series B Equipment Notes held in the Class B Trust to the holders of the Class B Certificates, subject to the subordination provisions applicable to the Class B Certificates.
	Scheduled payments of principal and interest made on the Series B Equipment Notes will be distributed on the applicable Regular Distribution Dates.
	Payments of principal, premium (if any) and interest made on the Series B Equipment Notes resulting from any early redemption of the Series B Equipment Notes will be distributed on a special distribution date after not less than 15 days notice from the Class B Trustee to the applicable Class B Certificateholders.

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Subordination	Distributions on the Certificates will be made in the following order:
	First, to the holders of the Class AA Certificates to pay interest on the Class AA Certificates.
	Second, to the holders of Class A Certificates to pay interest on the Preferred A Pool Balance.
	Third, to the holders of the Class B Certificates to pay interest on the Preferred B Pool Balance.
	Fourth, to the holders of the Class AA Certificates to make distributions in respect of the Pool Balance of the Class AA Certificates.
	Fifth, to the holders of the Class A Certificates to pay interest on the Pool Balance of the Class A Certificates not previously distributed under clause Second above.
	Sixth, to the holders of the Class A Certificates to make distributions in respect of the Pool Balance of the Class A Certificates.
	Seventh, to the holders of the Class B Certificates to pay interest on the Pool Balance of the Class B Certificates not previously distributed under clause Third above.
	Eighth, to the holders of the Class B Certificates to make distributions in respect of the Pool Balance of the Class B Certificates.
Control of Loan Trustee	The holders of at least a majority of the outstanding principal amount of Equipment Notes issued under each Indenture will be entitled to direct the Loan Trustee under such Indenture in taking action as long as no Indenture Default is continuing thereunder. If an Indenture Default is continuing, subject to certain conditions, the Controlling Party will direct the Loan Trustee under such Indenture (including in exercising remedies, such as accelerating such Equipment Notes or foreclosing the lien on the Aircraft securing such Equipment Notes).

The Controlling Party will be:

The Class AA Trustee.

Upon payment of final distributions to the holders of Class AA Certificates, the Class A Trustee.

Upon payment of final distributions to the holders of Class A Certificates, the Class B Trustee.

Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the largest amount owed to it.

In exercising remedies during the nine months after the earlier of (a) the acceleration of the Equipment Notes issued pursuant to any Indenture or (b) the bankruptcy of United, the Equipment Notes and the Aircraft subject to the lien of such Indenture may not be sold for less than certain specified minimums.

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Right to Purchase Other Classes of Certificates	If United is in bankruptcy and certain specified circumstances then exist: The Class A Certificateholders will have the right to purchase all but not less than all of the Class AA Certificates. The Class B Certificateholders will have the right to purchase all but not less than all of the Class AA and Class A Certificates. If Additional Junior Certificates have been issued, the holders of such Additional Junior Certificates will have the right to purchase all but not less than all of the Class AA, Class A and Class B Certificates. The purchase price in each case described above will be the outstanding balance of the applicable Class of Certificates plus accrued and unpaid interest.
Liquidity Facilities	Under the Liquidity Facility for each of the Class AA, Class A and Class B Trusts, the Liquidity Provider will, if necessary, make advances in an aggregate amount sufficient to pay interest on the applicable Certificates on up to three successive semiannual Regular Distribution Dates at the interest rate for such Certificates. Drawings under the Liquidity Facilities cannot be used to pay any amount in respect of the applicable Certificates other than interest. Notwithstanding the subordination provisions applicable to the Certificates, the holders of the Certificates issued by the Class AA Trust, the Class A Trust or the Class B Trust will be entitled to receive and retain the proceeds of drawings under the Liquidity Facility for such Trust. Upon each drawing under any Liquidity Facility to pay interest on the applicable Certificates, the Subordination Agent will reimburse the applicable Liquidity Provider for the amount of such drawing. Such reimbursement obligation and all interest, fees and other amounts owing to the Liquidity Provider under each Liquidity Facility and certain other agreements will rank equally with comparable obligations relating to the other Liquidity Facilities and will rank senior to the Certificates in right of payment.

Issuances of Additional Classes of Certificates	Additional pass through certificates of one or more separate pass through trusts, which will evidence fractional undivided ownership interests in equipment notes secured by Aircraft, may be issued. Any such transaction may relate to (a) the issuance of one or more new series of subordinated equipment notes with respect to some or all of the Aircraft at any time after the Issuance Date or (b) the refinancing of Series A Equipment Notes, Series B Equipment Notes or any of such other series of subordinated equipment notes at or after

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repayment of any such refinanced Series A Equipment Notes, Series B Equipment Notes or other equipment notes issued with respect to all (but not less than all) of the Aircraft secured by such refinanced notes at any time after the Issuance Date. The holders of Additional Junior Certificates relating to other series of subordinated equipment notes, if issued, will have the right to purchase all of the Class AA, Class A and Class B Certificates under certain circumstances after a bankruptcy of United at the outstanding principal balance of the Certificates to be purchased plus accrued and unpaid interest and other amounts due to Certificateholders, but without a premium. Consummation of any such issuance of additional pass through certificates will be subject to satisfaction of certain conditions, including, if issued after the Issuance Date, receipt of confirmation from the Rating Agencies that it will not result in a withdrawal, suspension or downgrading of the rating of any Class of Certificates that remains outstanding. See Possible Issuance of Additional Junior Certificates and Refinancing of Certificates .

Equipment Notes

(a) Issuer	United. United s executive offices are located at 233 S. Wacker Drive, Chicago, Illinois 60606. United s telephone number is (872) 825-4000.
(b) Interest	The Series B Equipment Notes will accrue interest at the rate per annum for the Class B Certificates set forth on the cover page of this Prospectus Supplement. Interest will be payable on April 7 and October 7 of each year, commencing on April 7, 2018. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.
(c) Principal	Principal payments on the Series B Equipment Notes are scheduled on April 7 and October 7 of each year, commencing on April 7, 2018.
(d) Redemption	*Aircraft Event of Loss*. If an Event of Loss occurs with respect to an Aircraft, all of the Equipment Notes issued with respect to such Aircraft will be redeemed, unless United replaces such Aircraft under the related financing agreements. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest, but without any premium.
	Optional Redemption. United may elect to redeem all of the Equipment Notes issued with respect to an Aircraft prior to maturity only if all outstanding Equipment Notes with respect to all other Aircraft are simultaneously redeemed. In addition, United may elect to redeem all of the Series A Equipment Notes or Series B Equipment Notes in

connection with a refinancing of such Series. The redemption price for any optional redemption will be the unpaid principal amount of the relevant Equipment Notes, together with accrued interest and Make-Whole Premium.

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(e) Security	The Series B Equipment Notes issued with respect to each Aircraft will be secured by a security interest in such Aircraft. The Series AA Equipment Notes and the Series A Equipment Notes previously issued with respect to each Aircraft are also secured by a security interest in such Aircraft.
(f) Cross-collateralization	The Equipment Notes held in the Trusts will be cross-collateralized. This means that any proceeds from the exercise of remedies with respect to an Aircraft will be available to cover shortfalls then due under Equipment Notes issued with respect to the other Aircraft. In the absence of any such shortfall, excess proceeds will be held by the relevant Loan Trustee as additional collateral for such other Equipment Notes.
(g) Cross-default	There will be cross-default provisions in the Indentures. This means that if the Equipment Notes issued with respect to one Aircraft are in default and remedies are exercisable with respect to such Aircraft, the Equipment Notes issued with respect to the remaining Aircraft will also be in default, and remedies will be exercisable with respect to all Aircraft.
(h) Section 1110 Protection	United s outside counsel will provide its opinion to the Class B Trustee that the benefits of Section 1110 of the U.S. Bankruptcy Code will be available with respect to the Series B Equipment Notes.
Certain U.S. Federal Tax Consequences	Each person acquiring an interest in Class B Certificates generally should report on its federal income tax return its pro rata share of income from the Series B Equipment Notes and other property held by the Class B Trust. See Certain U.S. Federal Tax Consequences .
Certain ERISA Considerations	Each person who acquires a Class B Certificate will be deemed to have represented that either: (a) no employee benefit plan assets have been used to purchase or hold such Class B Certificate or (b) the purchase and holding of such Class B Certificate are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions. Each person who is an employee benefit plan subject to Title I of ERISA, a plan subject to Section 4975 of the Code, or an entity whose underlying assets are deemed to include plan assets by reason of such a plan s investment in such entity and acquires a Class B Certificate will be deemed to have made certain representations, including representations regarding the fiduciary making the decision to acquire a Class B Certificate on its behalf and that neither it nor such fiduciary is paying UAL, United, any underwriter nor any of their respective affiliates any

fee or other compensation for the provision of investment advice (as opposed to other services) in connection with such acquisition. See Certain ERISA Considerations .

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		Fitch	Moody s
Threshold Rating for the Liquidity Provider for the Class B Trust	Long Term	BBB-	Baa2
Liquidity Provider Rating	The Liquidity Provider meets the Liquidity Threshold Rating requirements.		

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SUMMARY FINANCIAL AND OPERATING DATA

The following tables summarize certain consolidated financial and operating data with respect to United. This information was derived as follows:

Statement of operations data for the nine months ended September 30, 2017 and 2016 was derived from the unaudited consolidated financial statements of United, including the notes thereto, included in United s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017. Statement of operations data for years ended December 31, 2016, 2015 and 2014 was derived from the audited consolidated financial statements of United, including the notes thereto, included in United s Annual Report on Form 10-K filed with the Commission on February 23, 2017 (the Form 10-K).

The ratio of earnings to fixed charges for the nine months ended September 30, 2017 was derived from Exhibit 12.2 of United s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017. The ratio of earnings to fixed charges for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 was derived from Exhibit 12.2 to the Form 10-K.

Special charges data for the nine months ended September 30, 2017 and 2016 was derived from the unaudited consolidated financial statements of United, including the notes thereto, included in United s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017. Special charges data for the years ended December 31, 2016, 2015 and 2014 was derived from the audited consolidated financial statements of United, including the notes thereto, included in the Form 10-K.

Balance sheet data as of September 30, 2017 was derived from the unaudited consolidated financial statements of United, including the notes thereto, included in United s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017. Balance sheet data as of December 31, 2016 and 2015 was derived from the audited consolidated financial statements of United, including the notes thereto, included in the Form 10-K.

	Nine Months Ended September 30,		Year Ended December 31,		
	2017	**2016**	**2016**	**2015**	**2014**
Statement of Operations Data(1) (in millions):					
Operating revenue	$ 28,298	$ 27,504	$ 36,556	$ 37,864	$ 38,901
Operating expenses	25,528	24,170	32,215	32,696	36,524
Operating income	2,770	3,334	4,341	5,168	2,377
Net income	1,552	1,867	2,264	7,301	1,114

	Nine Months Ended September 30,	Year Ended December 31,				
	2017	**2016**	**2015**	**2014**	**2013**	**2012**
Ratio of Earnings to Fixed Charges(2)	3.27	3.75	3.93	1.65	1.37	

	As of September 30,	As of December 31,

	2017	2016	2015
Balance Sheet Data (in millions):			
Unrestricted cash, cash equivalents and short-term investments	$ 4,322	$ 4,422	$ 5,190
Total assets	42,558	40,091	40,861
Debt and capital leases(3)	13,943	11,705	11,759
Stockholder s equity	8,915	8,606	8,963

(Footnotes on the next page)

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(1) Includes the following special charges:

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Special charges (in millions):					
Operating:					
Severance and benefit costs	$ 101	$ 27	$ 37	$ 107	$ 199
Impairment of assets	15	412	412	79	49
Labor agreement costs		124	64	18	
Cleveland airport lease restructuring		74	74		
(Gains) losses on sale of assets and other special charges	29	32	51	122	195
Nonoperating:					
Loss on extinguishment of debt and other, net		(1)	(1)	202	74
Income tax benefit related to special charges	(52)	(241)	(229)	(11)	(10)
Income tax benefit associated with valuation allowance release(4)				(3,130)	
Income tax adjustment(5)			180		

(2) For purposes of calculating this ratio, earnings consist of income before income taxes adjusted for fixed charges, amortization of capitalized interest, distributed earnings of affiliates, interest capitalized and equity earnings in affiliates. Fixed charges consist of interest expense and the portion of rent expense representative of the interest factor. For the year ended December 31, 2012, earnings were inadequate to cover fixed charges by $689 million.

(3) Includes the current and noncurrent portions of debt and capital leases.

(4) During 2015, United released almost all of its income tax valuation allowance, resulting in a $3.1 billion benefit in its provision for income taxes.

(5) Prior to the release of the deferred income tax valuation allowance in 2015, the Company recorded approximately $465 million of valuation allowance adjustments in accumulated other comprehensive income (AOCI). Subsequent to the release of the deferred income tax valuation allowance in 2015, the $465 million debit remained within AOCI, of which $180 million related to losses on fuel hedges designated for hedge accounting and $285 million related to pension and other postretirement liabilities. Accounting rules required the adjustments to remain in AOCI as long as the Company had fuel derivatives designated for cash flow hedge accounting and the Company continues to provide pension and postretirement benefits. In 2016, we settled all of our fuel hedges and did not enter into any new fuel derivative contracts for hedge accounting. Accordingly, the Company reclassified the $180 million to income tax expense in 2016.

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Selected Operating Data

United transports people and cargo through its mainline operations, which utilize jet aircraft with at least 118 seats, and its regional operations, which utilize smaller aircraft that are operated under contract by United Express carriers. These regional operations are an extension of United s mainline network.

	Nine Months Ended September 30,		Year Ended December 31,		
	2017	2016	2016	2015	2014
Mainline Operations:					
Passengers (thousands)(1)	81,091	75,417	101,007	96,327	91,475
Revenue passenger miles (millions)(2)	146,252	140,573	186,181	183,642	179,015
Available seat miles (millions)(3)	176,710	169,252	224,692	219,989	214,105
Cargo ton miles (millions)	2,406	2,015	2,805	2,614	2,487
Passenger revenue per available seat mile (cents)	11.30	11.30	11.31	11.97	12.51
Average yield per revenue passenger mile (cents)(4)	13.65	13.60	13.65	14.34	14.96
Cost per available seat mile (cents)	12.49	12.15	12.22	12.41	14.02
Average price per gallon of fuel, including fuel taxes	$ 1.66	$ 1.45	$ 1.49	$ 1.96	$ 2.98
Fuel gallons consumed (millions)	2,357	2,457	3,261	3,216	3,183
Average stage length (miles)(5)	1,817	1,878	1,859	1,922	1,958
Average daily utilization of each aircraft (hours)(6)	10:30	10:25	10:06	10:24	10:26
Regional Operations:					
Passengers (thousands)(1)	29,563	31,737	44,170	44,042	46,554
Revenue passenger miles (millions)(2)	16,860	18,198	24,128	24,969	26,544
Available seat miles (millions)(3)	20,648	21,820	28,898	30,014	31,916
Consolidated Operations:					
Passengers (thousands)(1)	110,654	107,154	143,177	140,369	138,029
Revenue passenger miles (millions)(2)	163,112	158,771	210,309	208,611	205,559
Available seat miles (millions)(3)	197,358	191,072	253,590	250,003	246,021
Passenger load factor:(7)					
Consolidated	82.6%	83.1%	82.9%	83.4%	83.6%
Domestic	85.2%	85.4%	85.4%	85.7%	86.0%
International	79.5%	80.4%	80.0%	80.7%	81.3%
Passenger revenue per available seat mile (cents)	12.32	12.40	12.40	13.11	13.72
Average yield per revenue passenger mile (cents)(4)	14.91	14.92	14.96	15.72	16.42

(1) The number of revenue passengers measured by each flight segment flown.
(2) The number of scheduled miles flown by revenue passengers.
(3) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.
(4) The average passenger revenue received for each revenue passenger mile flown.
(5) Average stage length equals the average distance a flight travels weighted for size of aircraft.
(6) The average number of hours per day that an aircraft flown in revenue service is operated (from gate departure to gate arrival).
(7) Revenue passenger miles divided by available seat miles.

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RISK FACTORS

Unless the context otherwise requires, references in this Risk Factors section and The Company section to UAL , the Company , we , us and our mean United Continental Holdings, Inc. (UAL) and its consolidated subsidiaries, includ United Airlines, Inc. (United), and references to United include United s consolidated subsidiaries.

Risk Factors Relating to the Company

Global economic, political and industry conditions constantly change and unfavorable conditions may have a material adverse effect on the Company s business and results of operations.

The Company s business and results of operations are significantly impacted by global economic and industry conditions. The airline industry is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and global economies. The Company is a global business with operations outside of the United States from which it derives significant operating revenues. The Company s international operations are a vital part of its worldwide airline network. Volatile economic, political and market conditions in these international regions may have a negative impact on the Company s operating results and its ability to achieve its business objectives.

Robust demand for the Company s air transportation services depends largely on favorable economic conditions, including the strength of the domestic and foreign economies, low unemployment levels, strong consumer confidence levels and the availability of consumer and business credit. Air transportation is often a discretionary purchase that leisure travelers may limit or eliminate during difficult economic times. In addition, during periods of unfavorable economic conditions, business travelers usually reduce the volume of their travel, either due to cost-saving initiatives or as a result of decreased business activity requiring travel. During such periods, the Company s business and results of operations may be adversely affected due to significant declines in industry passenger demand, particularly with respect to the Company s business and premium cabin travelers, and a reduction in fare levels.

Stagnant or weakening global economic conditions either in the United States or in other geographic regions, and any future volatility in U.S. and global financial and credit markets may have a material adverse effect on the Company s revenues, results of operations and liquidity. If such economic conditions were to disrupt capital markets in the future, the Company may be unable to obtain financing on acceptable terms (or at all) to refinance certain maturing debt and to satisfy future capital commitments.

Recently, United Kingdom (UK) voters voted for the UK to exit the European Union (the EU), a non-binding referendum that, if passed into law, could adversely affect European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the British pound and European euro, additional travel restrictions on passengers traveling between the UK and other EU countries and legal uncertainty and potentially divergent national laws and regulations. These adverse effects in European market conditions could negatively impact the Company s business, results of operations, and financial condition.

In addition, significant or volatile changes in exchange rates between the U.S. dollar and other currencies may have a material adverse impact upon the Company s liquidity, revenues, costs and operating results.

The airline industry is highly competitive and susceptible to price discounting and changes in capacity, which could have a material adverse effect on the Company.

The U.S. airline industry is characterized by substantial price competition including from low-cost carriers. The significant market presence of low-cost carriers, which engage in substantial price discounting, may diminish our ability to achieve sustained profitability on domestic and international routes.

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Airlines also compete for market share by