UNITED AIRLINES, INC.
Form 424B3
September 13, 2016
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-203630-01

This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but it is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 13, 2016

PROSPECTUS SUPPLEMENT TO PROSPECTUS, DATED APRIL 24, 2015

$919,593,000

2016-2 PASS THROUGH TRUSTS

PASS THROUGH CERTIFICATES, SERIES 2016-2

Two classes of the United Airlines Pass Through Certificates, Series 2016-2, are being offered under this prospectus supplement: Class AA and A. A separate trust will be established for each class of certificates. The proceeds from the sale of certificates will initially be held in escrow, and interest on the escrowed funds will be payable semiannually on April 7 and October 7, commencing April 7, 2017. The trusts will use the escrowed funds to acquire equipment notes. The equipment notes will be issued by United Airlines, Inc. and will be secured by 13 new Boeing aircraft scheduled for delivery from December 2016 to June 2017. Payments on the equipment notes held in each trust will be passed through to the holders of certificates of such trust.

Interest on the equipment notes will be payable semiannually on each April 7 and October 7 after issuance (but not before April 7, 2017). Principal payments on the equipment notes are scheduled on April 7 and October 7 of each year, beginning on April 7, 2018.

The Class AA certificates will rank senior to the Class A certificates.

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

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

Investing in the 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 AA	$ 636,512,000	%	October 7, 2028	100%
Class A	$ 283,081,000	%	October 7, 2028	100%

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

The underwriters will purchase all of the certificates if any are purchased. The aggregate proceeds from the sale of the certificates will be $919,593,000. United will pay the underwriters a commission of $. Delivery of the certificates in book-entry form only will be made on or about , 2016.

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 *MORGAN STANLEY* **Goldman, Sachs & Co.**

Bookrunners

Citigroup **Deutsche Bank Securities**

BofA Merrill Lynch **BNP PARIBAS** **Credit Agricole Securities**

The date of this prospectus supplement is , 2016.

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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 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

	Class AA Certificates	Class A Certificates
Aggregate Face Amount	$636,512,000	$283,081,000
Interest Rate	%	%
Initial Loan to Aircraft Value (cumulative)(1)	38.7%	55.8%
Highest Loan to Aircraft Value (cumulative)(2)	38.7%	55.8%
Expected Principal Distribution Window (in years)	1.5 12.0	1.5 12.0
Initial Average Life (in years from Issuance Date)	9.1	9.1
Regular Distribution Dates	April 7 and October 7	April 7 and October 7
Final Expected Distribution Date	October 7, 2028	October 7, 2028
Final Maturity Date	April 7, 2030	April 7, 2030
Minimum Denomination	$1,000	$1,000
Section 1110 Protection	Yes	Yes
Liquidity Facility Coverage	3 semiannual interest payments	3 semiannual interest payments

(1) These percentages are determined as of October 7, 2017, the first Regular Distribution Date after all Aircraft are expected to have been financed pursuant to this Offering. In calculating these percentages, we have assumed that the financings of all Aircraft hereunder are completed prior to October 7, 2017 and that the aggregate appraised value of such Aircraft, net of assumed depreciation, is $1,646,737,000 as of such date. See Loan to Aircraft Value Ratios . The appraised value is only an estimate and reflects certain assumptions. See Description of the Aircraft and the Appraisals The Appraisals .

(2) See Loan to Aircraft Value Ratios .

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Equipment Notes and the Aircraft

The 13 Aircraft to be financed pursuant to this Offering will consist of one new Boeing 737-824 aircraft, three new Boeing 737-924ER aircraft, two new Boeing 787-9 aircraft and seven new Boeing 777-322ER aircraft scheduled for delivery between December 2016 and June 2017. See Description of the Aircraft and the Appraisals The Appraisals for a description of the 13 aircraft that may be financed with the proceeds of this Offering. Set forth below is certain information about the Equipment Notes expected to be held in the Trusts and the aircraft expected to secure such Equipment Notes:

Aircraft Model	Registration Number(1)	Manufacturer s Serial Number(1)	Delivery Month(1)	Principal Amount of Equipment Notes	Appraised Value(2)	Latest Equipment Note Maturity Date
Boeing 737-824	N77538	63694	December 2016	$ 27,862,000	$ 50,750,000	October 7, 2028
Boeing 737-924ER	N61898	62815	December 2016	29,357,000	53,473,333	October 7, 2028
Boeing 737-924ER	N63899	62816	December 2016	29,357,000	53,473,333	October 7, 2028
Boeing 737-924ER	N38479	62817	December 2016	29,357,000	53,473,333	October 7, 2028
Boeing 787-9	N29968	60141	January 2017	78,813,000	143,556,667	October 7, 2028
Boeing 787-9	N15969	60142	February 2017	78,877,000	143,673,333	October 7, 2028
Boeing 777-322ER	N64038	62647	March 2017	92,150,000	167,850,000	October 7, 2028
Boeing 777-322ER	N59039	62651	April 2017	92,226,000	167,990,000	October 7, 2028
Boeing 777-322ER	N54040	62650	April 2017	92,226,000	167,990,000	October 7, 2028
Boeing 777-322ER	N58041	63721	May 2017	92,303,000	168,130,000	October 7, 2028
Boeing 777-322ER	N59042	63722	May 2017	92,303,000	168,130,000	October 7, 2028
Boeing 777-322ER	N59043	63723	June 2017	92,381,000	168,270,000	October 7, 2028
Boeing 777-322ER	N54044	63724	June 2017	92,381,000	168,270,000	October 7, 2028

(1) The indicated registration number, manufacturer s serial number and delivery month for each aircraft reflect our current expectations, although these may differ for the actual aircraft financed hereunder. The deadline for purposes of financing an Aircraft pursuant to this Offering is September 30, 2017 (or later under certain circumstances). The financing pursuant to this Offering of each Aircraft is expected to be effected at or around the time of delivery of such Aircraft by the manufacturer to United. The actual delivery date for any aircraft may be subject to delay or acceleration. See Description of the Aircraft and the Appraisals Timing of Financing the Aircraft . United has certain rights to substitute other aircraft if the scheduled delivery date of any Aircraft is delayed for more than 30 days after the month scheduled for delivery. See Description of the Aircraft and the

Appraisals Substitute 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, projected as of the scheduled delivery month of the applicable Aircraft. 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 Certificates and the Offering The Appraisals are only estimates of Aircraft value .

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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 October 7, 2017, the first Regular Distribution Date after all Aircraft are expected to have been financed pursuant to this Offering, and each Regular Distribution Date thereafter. The LTVs for any Class of Certificates for the period prior to October 7, 2017, are not meaningful, since during such period all of the Equipment Notes expected to be acquired by the Trusts and the related Aircraft will not be included in the calculation. 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 Certificates and the Offering The Appraisals are only estimates of Aircraft value .

		Outstanding Balance(2)		LTV(3)	
Regular Distribution Date	**Assumed Aggregate Aircraft Value(1)**	**Class AA Certificates**	**Class A Certificates**	**Class AA Certificates**	**Class A Certificates**
October 7, 2017	$ 1,646,737,000	$ 636,512,000	$ 283,081,000	38.7%	55.8%
April 7, 2018	1,621,611,550	619,688,366	275,598,893	38.2%	55.2%
October 7, 2018	1,596,486,100	602,864,732	268,116,785	37.8%	54.6%
April 7, 2019	1,571,360,650	586,041,098	260,634,678	37.3%	53.9%
October 7, 2019	1,546,235,200	569,217,464	253,152,571	36.8%	53.2%
April 7, 2020	1,521,109,750	552,393,829	245,670,464	36.3%	52.5%
October 7, 2020	1,495,984,300	535,570,195	238,188,356	35.8%	51.7%
April 7, 2021	1,470,858,850	518,746,561	230,706,249	35.3%	51.0%
October 7, 2021	1,445,733,400	501,922,927	223,224,142	34.7%	50.2%
April 7, 2022	1,420,607,950	485,099,293	215,742,035	34.1%	49.3%
October 7, 2022	1,395,482,500	468,275,659	208,259,927	33.6%	48.5%
April 7, 2023	1,370,357,050	451,452,025	200,777,820	32.9%	47.6%
October 7, 2023	1,345,231,600	437,824,881	194,717,313	32.5%	47.0%
April 7, 2024	1,320,106,150	424,197,737	188,656,806	32.1%	46.4%
October 7, 2024	1,294,980,700	410,570,594	182,596,299	31.7%	45.8%
April 7, 2025	1,269,855,250	396,943,450	176,535,793	31.3%	45.2%
October 7, 2025	1,244,729,800	383,316,306	170,475,286	30.8%	44.5%
April 7, 2026	1,219,604,350	369,689,163	164,414,779	30.3%	43.8%
October 7, 2026	1,194,478,900	356,062,019	158,354,272	29.8%	43.1%
April 7, 2027	1,169,353,450	342,434,875	152,293,765	29.3%	42.3%
October 7, 2027	1,144,228,000	328,807,732	146,233,258	28.7%	41.5%
April 7, 2028	1,119,102,550	315,180,588	140,172,751	28.2%	40.7%
October 7, 2028	1,093,977,100			0.0%	0.0%

(1) We have assumed that all Aircraft will be financed under this Offering prior to October 7, 2017, and that the appraised value of each Aircraft, determined as described under Equipment Notes and the Aircraft , declines from that of the initial appraised value of such Aircraft 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 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 acquire 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 each Regular Distribution Date by dividing (i) the expected outstanding balance of such Class (together, in the case of the Class A Certificates, with the expected outstanding balance of the Class AA Certificates) after giving effect to the distributions expected to be made on such distribution 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 acquire Equipment Notes with respect to all the Aircraft.

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Cash Flow Structure

Set forth below is a diagram illustrating the structure for the offering 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 and the Class A Certificates is expected to be sufficient to cover up to three consecutive semiannual interest payments with respect to such Class, except that the Liquidity Facilities will not cover interest on the Deposits.

(3) The proceeds of the offering of each Class of Certificates will initially be held in escrow and deposited with the Depositary, pending financing of each Aircraft. The Depositary will hold such funds as interest bearing Deposits. Each Trust will withdraw funds from the Deposits relating to such Trust to purchase Equipment Notes from time to time as each Aircraft is financed. The scheduled payments of interest on the Equipment Notes and on the Deposits relating to a Trust, taken together, will be sufficient to pay accrued interest on the outstanding Certificates of such Trust. If any funds remain as Deposits with respect to a Trust at the Delivery Period Termination Date, such funds will be withdrawn by the Escrow Agent and distributed to the holders of the Certificates issued by such Trust, together with accrued and unpaid interest thereon. No interest will accrue with respect to the Deposits after they have been fully withdrawn.

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The Offering

Certificates Offered	Class AA Pass Through Certificates, Series 2016-2.
	Class A Pass Through Certificates, Series 2016-2.
	Each Class of Certificates will represent a fractional undivided interest in a related Trust.
Use of Proceeds	The proceeds from the sale of the Certificates of each Trust will initially be held in escrow and deposited with the Depositary, pending financing of each Aircraft under this Offering. Each Trust will withdraw funds from the Deposits relating to such Trust to acquire Equipment Notes as these Aircraft are financed. The Equipment Notes will be issued to finance the purchase by United of 13 new aircraft.
Subordination Agent, Trustee, Paying Agent and Loan Trustee	Wilmington Trust, National Association.
Escrow Agent	U.S. Bank National Association.
Depositary	Natixis, acting through its New York Branch.
Liquidity Provider	Commonwealth Bank of Australia, New York Branch.
Trust Property	The property of each Trust will include:
	Equipment Notes acquired by such Trust.
	All monies receivable under the Liquidity Facility for such Trust.
	Funds from time to time deposited with the applicable Trustee in accounts relating to such Trust, including payments made by United on the Equipment Notes held in such Trust.

Regular Distribution Dates	April 7 and October 7, commencing on April 7, 2017.
Record Dates	The fifteenth day preceding the related Distribution Date.
Distributions	The Trustee will distribute all payments of principal, premium (if any) and interest received on the Equipment Notes held in each Trust to the holders of the Certificates of such Trust, subject to the subordination provisions applicable to the Certificates.
	Scheduled payments of principal and interest made on the Equipment Notes will be distributed on the applicable Regular Distribution Dates.
	Payments of principal, premium (if any) and interest made on the Equipment Notes resulting from any early redemption of such Equipment Notes will be distributed on a special distribution date after not less than 15 days notice from the Trustee to the applicable 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 AA Certificates to make distributions in respect of the Pool Balance of the Class AA Certificates.
	Fourth, 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.
	Fifth, to the holders of the Class A Certificates to make distributions in respect of the Pool Balance of the Class A 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.
	Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider (including, if any Class B Certificates are issued, any liquidity provider for the Class B Certificates) 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.

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.

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 and Class A 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 and Class A 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 and will not cover interest payable on amounts held in escrow as Deposits with the Depositary.
	Notwithstanding the subordination provisions applicable to the Certificates, the holders of the Certificates to be issued by the Class AA Trust or the Class A 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 Facility and will rank senior to the Certificates in right of payment.
	If Class B Certificates are issued, such Class B Certificates may have the benefit of credit support similar to the Liquidity Facilities. See Possible Issuance of Additional Junior Certificates and Refinancing of Certificates
Escrowed Funds	Funds in escrow for the Certificateholders of each Trust will be held by the Depositary as Deposits relating to such Trust. The Trustees may withdraw these funds from time to time to purchase Equipment Notes on or prior to the deadline established for purposes of this Offering. On each Regular Distribution Date, the Depositary will pay interest accrued on the Deposits relating to such Trust at a rate per annum equal to the interest rate applicable to the Certificates issued by such Trust. The

Deposits relating to each Trust and interest paid thereon will not be subject to the subordination provisions applicable to the Certificates. The Deposits cannot be used to pay any other amount in respect of the Certificates.

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Unused Escrowed Funds	All of the Deposits held in escrow may not be used to purchase Equipment Notes by the deadline established for purposes of this Offering. This may occur because of delays in the financing of Aircraft or other reasons. See Description of the Certificates Obligation to Purchase Equipment Notes . If any funds remain as Deposits with respect to any Trust after such deadline, such funds will be withdrawn by the Escrow Agent for such Trust and distributed, with accrued and unpaid interest, to the Certificateholders of such Trust after at least 15 days prior written notice. See Description of the Deposit Agreements Unused Deposits .
Obligation to Purchase Equipment Notes	The Trustees will be obligated to purchase the Equipment Notes issued with respect to each Aircraft pursuant to the Note Purchase Agreement. United will enter into a secured debt financing with respect to each Aircraft pursuant to financing agreements substantially in the forms attached to the Note Purchase Agreement. The terms of such financing agreements must not vary the Required Terms set forth in the Note Purchase Agreement. In addition, United must certify to the Trustees that any substantive modifications do not materially and adversely affect the Certificateholders. United must also obtain written confirmation from each Rating Agency that the use of financing agreements modified in any material respect from the forms attached to the Note Purchase Agreement will not result in a withdrawal, suspension or downgrading of the rating of any Class of Certificates. The Trustees will not be obligated to purchase Equipment Notes if, at the time of issuance, United is in bankruptcy or certain other specified events have occurred. See Description of the Certificates Obligation to Purchase Equipment Notes .
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 or any of such other series of subordinated equipment notes at or after repayment of any such refinanced Series A 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 and Class A 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,

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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 Equipment Notes held in each Trust will accrue interest at the rate per annum for the Certificates issued by such Trust 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 the first such date after issuance of such Equipment Notes (but not before April 7, 2017). Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.
(c) Principal	Principal payments on the 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 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.
(e) Security	The Equipment Notes issued with respect to each Aircraft will be 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.

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(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 Trustees that the benefits of Section 1110 of the U.S. Bankruptcy Code will be available with respect to the Equipment Notes.
Certain U.S. Federal Tax Consequences	Each person acquiring an interest in Certificates generally should report on its federal income tax return its pro rata share of income from the relevant Deposits and income from the Equipment Notes and other property held by the relevant Trust. See Certain U.S. Federal Tax Consequences .
Certain ERISA Considerations	Each person who acquires a Certificate will be deemed to have represented that either: (a) no employee benefit plan assets have been used to purchase or hold such Certificate or (b) the purchase and holding of such Certificate are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions. See Certain ERISA Considerations .

		Fitch		Moody s
Threshold Rating for the Depositary	Long Term	A-	Short Term	P-1
Depositary Rating	The Depositary meets the Depositary Threshold Rating requirement.			

		Fitch	Moody s
Threshold Rating for the Liquidity Provider for the Class AA Trust	Long Term	BBB+	Baa2
Threshold Rating for the Liquidity Provider for the Class A 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 six months ended June 30, 2016 and 2015 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 June 30, 2016. Statement of operations data for years ended December 31, 2015, 2014 and 2013 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 18, 2016 (the Form 10-K).

The ratio of earnings to fixed charges for the six months ended June 30, 2016 was derived from Exhibit 12.2 of United s Quarterly Report on Form 10-Q for the quarter ended June 30, 2016. The ratio of earnings to fixed charges for the years ended December 31, 2015, 2014, 2013, 2012 and 2011 was derived from Exhibit 12.2 to the Form 10-K.

Special charges (items) data for the six months ended June 30, 2016 and 2015 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 June 30, 2016. Special charges (items) data for the years ended December 31, 2015, 2014 and 2013 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 June 30, 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 June 30, 2016. Balance sheet data as of December 31, 2015 and 2014 was derived from the audited consolidated financial statements of United, including the notes thereto, included in the Form 10-K.

	Six Months Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(In millions)		(In millions)		
Statement of Operations Data(1):					
Operating revenue	$ 17,591	$ 18,522	$ 37,864	$ 38,901	$ 38,287
Operating expenses	15,881	16,335	32,696	36,524	37,028
Operating income	1,710	2,187	5,168	2,377	1,259
Net income	902	1,702	7,301	1,114	654

	Six Months Ended June 30,	Year Ended December 31,				
	2016	2015	2014	2013	2012	2011
Ratio of Earnings to Fixed Charges(2)	3.02	3.93	1.65	1.37		1.41

	As of June 30, 2016	As of December 31, 2015	2014
	(In millions)	(In millions)	
Balance Sheet Data(3):			
Unrestricted cash, cash equivalents and short-term investments	$ 4,679	$ 5,190	$ 4,378
Total assets	40,477	40,861	37,350
Debt and capital leases(4)	11,415	11,759	11,947
Stockholder s equity	7,780	8,963	2,635

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(1) Includes the following special charges (items):

Special charges (items)(3)	Six Months Ended June 30, 2016	2015	Year Ended December 31, 2015	2014	2013
	(In millions)		(In millions)		
Special charges (items):					
Operating:					
Impairment of intangible asset related to Newark Liberty International Airport slots	$ 412	$	$	$	$
Labor agreement costs	110		18		127
Cleveland airport lease restructuring	74				
Severance and benefit costs	14	75	107	199	105
(Gains) losses on sale of assets and other special charges, net	14	44	201	244	288
Nonoperating:					
Losses on extinguishment of debt and other, net	(1)	134	202	74	
Income tax benefit related to special charges	(225)		(11)	(10)	(7)
Income tax benefit associated with valuation allowance release(5)			(3,130)		

(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) Certain prior period amounts have been reclassified to conform to the current period presentation.

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

(5) 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.

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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.

	Six Months Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
Mainline Operations:					
Passengers (thousands)(1)	47,916	46,236	96,327	91,475	91,329
Revenue passenger miles (millions)(2)	88,698	88,519	183,642	179,015	178,578
Available seat miles (millions)(3)	108,617	107,173	219,989	214,105	213,007
Cargo ton miles (millions)	1,301	1,295	2,614	2,487	2,213
Passenger load factor(4)	81.7%	82.6%	83.5%	83.6%	83.8%
Passenger revenue per available seat mile (cents)	11.14	12.04	11.97	12.51	12.20
Average yield per revenue passenger mile (cents)(5)	13.64	14.57	14.34	14.96	14.56
Cost per available seat mile (cents)	12.43	12.68	12.42	14.02	14.31
Average price per gallon of fuel, including fuel taxes	$ 1.42	$ 2.12	$ 1.96	$ 2.98	$ 3.12
Fuel gallons consumed (millions)	1,568	1,570	3,216	3,183	3,204
Average stage length (miles)(6)	1,875	1,928	1,922	1,958	1,934
Average daily utilization of each aircraft (hours)(7)	10:07	10:25	10:24	10:26	10:28
Regional Operations:					
Passengers (thousands)(1)	20,587	21,517	44,042	46,554	47,880
Revenue passenger miles (millions)(2)	11,901	12,214	24,969	26,544	26,589
Available seat miles (millions)(3)	14,381	14,781	30,014	31,916	32,347
Passenger load factor(4)	82.8%	82.6%	83.2%	83.2%	82.2%
Consolidated Operations:					
Passengers (thousands)(1)	68,503	67,753	140,369	138,029	139,209
Revenue passenger miles (millions)(2)	100,599	100,733	208,611	205,559	205,167
Available seat miles (millions)(3)	122,998	121,954	250,003	246,021	245,354
Passenger load factor(4)	81.8%	82.6%	83.4%	83.6%	83.6%
Passenger revenue per available seat mile (cents)	12.27	13.20	13.11	13.72	13.50
Average yield per revenue passenger mile (cents)(5)	15.00	15.98	15.72	16.42	16.14

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

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RISK FACTORS

Unless the context otherwise requires, references in this Risk Factors section to UAL , the Company , we , us a mean United Continental Holdings, Inc. (UAL) and its consolidated subsidiaries, including 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 general 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 (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 increasing or decreasing their capacity, including route systems and the number of markets served. Several of the Company s domestic and international competitors have increased their international capacity by including service to some destinations that the Company currently serves, causing overlap in destinations served and therefore increasing competition for those destinations. In addition, the Company has implemented significant capacity reductions in recent years in response to high and volatile fuel prices and stagnant global economic growth. This increased competition in both domestic and international markets may have a material adverse effect on the Company s results of operations, financial condition or liquidity.

Terrorist attacks or international hostilities, or the fear of terrorist attacks or hostilities, even if not made directly on the airline industry, could negatively affect the Company and the airline industry.

The terrorist attacks on September 11, 2001 involving commercial aircraft severely and adversely impacted the Company s financial condition and results of operations, as well as the prospects for the airline industry. Among the effects experienced from the September 11, 2001 terrorist attacks were substantial flight disruption costs caused by the Federal Aviation Administration (the FAA) imposed temporary grounding of the U.S. airline industry s fleet, significantly increased security costs and associated passenger inconvenience, increased insurance costs, substantially higher ticket refunds and significantly decreased traffic and passenger revenue.

Additional terrorist attacks, even if not made directly on the airline industry, or the fear of or the precautions taken in anticipation of such attacks (including elevated national threat warnings or selective cancellation or redirection of flights) could materially and adversely affect the Company and the airline industry. Wars and other international hostilities could also have a material adverse i