UAL CORP /DE/
Form 11-K
June 27, 2008
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2007

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ______ to ______

Commission file number: 001-06033

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

United Airlines Management and Administrative 401(k) Plan

Benefits Administration Department WHQHR

United Air Lines, Inc.

P.O. Box 66100

Chicago, IL 60666

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

UAL Corporation

77 W. Wacker Drive

Chicago, Illinois 60601

(312) 997-8000

Table of Contents

UNITED AIRLINES MANAGEMENT AND

ADMINISTRATIVE 401(k) PLAN

TABLE OF CONTENTS

The following exhibit is filed herewith:

NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees and Participants of the

United Airlines Management and Administrative 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of the United Airlines Management and Administrative 401(k) Plan (the Plan) as of December 31, 2007 and 2006, and the related statement of changes in net assets available for benefits for the year ended December 31, 2007. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2007 and 2006, and the changes in net assets available for benefits for the year ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2007 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan s management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2007 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Chicago, Illinois
June 27, 2008

Table of Contents

UNITED AIRLINES MANAGEMENT AND

ADMINISTRATIVE 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AS OF DECEMBER 31, 2007 AND 2006

(In thousands)

	2007	**2006**
ASSETS:		
Plan interest in Master Trust, at fair value	$ 1,112,146	$ 1,013,323
Employer contributions receivable		10,006
Total assets	1,112,146	1,023,329
LIABILITIES:		
Accrued expenses	(93)	(44)
Excess contributions payable	(3)	(117)
Total liabilities	(96)	(161)
Net assets available for benefits, at fair value	1,112,050	1,023,168
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(808)	1,606
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,111,242	$ 1,024,774

See notes to financial statements.

Table of Contents

UNITED AIRLINES MANAGEMENT AND

ADMINISTRATIVE 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2007

(In thousands)

ADDITIONS:	
Participant contributions	$ 43,832
Rollover contributions	2,278
Employer contributions	34,355
Net transfers from other plans	19,254
	99,719
Plan interest in Master Trust investment income:	
Net appreciation in value of investments	43,259
Dividends	38,754
Interest	9,090
Net investment income	91,103
Total additions	190,822
DEDUCTIONS:	
Benefits paid to participants	(104,112)
Administrative expenses	(239)
Excess contributions	(3)
Total deductions	(104,354)
INCREASE IN NET ASSETS	86,468
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	1,024,774
End of year	$ 1,111,242

See notes to financial statements.

Table of Contents

UNITED AIRLINES MANAGEMENT

AND ADMINISTRATIVE 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2007 AND 2006, AND FOR THE YEAR ENDED DECEMBER 31, 2007

1. DESCRIPTION OF PLAN

The following description of the United Airlines Management and Administrative 401(k) Plan (the Plan) is for general information purposes only. Participants should refer to the Plan document for more complete information.

General and Plan Participants The Plan is a defined contribution plan covering all employees who are classified as Management Employees, Officers, Administrative (or Salaried) Employees, Meteorologists, Test Pilots, Maintenance Instructors, Engineers and Flight Dispatchers. The Plan is sponsored by United Air Lines, Inc. (United) and has been adopted by certain affiliates: UAL Loyalty Services, Inc.; Premier Meeting and Travel Services, Inc.; Ameniti Travel Clubs, Inc.; and Mileage Plus Marketing Inc. Employees are eligible to become participants on their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective December 31, 2007, the Mileage Plus Inc. Investment Plus Plan (MPI Plan), another plan sponsored by United, was merged with and into the Plan in accordance with a Plan amendment adopted by the United Air Lines, Inc. Retirement and Welfare Administration Committee (RAWAC) (see Notes 2 and 9). Accordingly, the net assets available for benefits at close of business on December 31, 2007 of the MPI Plan were transferred into the Plan, and are included within Net transfers from other plans in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2007.

Trustee and Recordkeeper Fidelity Management Trust Company (Fidelity or Trustee) is the Plan trustee and Fidelity Investments Institutional Operations Company, Inc. (FIIOC) is the transfer agent and record keeper of the Plan.

Equity Distribution On February 1, 2006, United and its parent, UAL Corporation (UAL), emerged from bankruptcy protection. The Bankruptcy Court s approval of the Plan of Reorganization provided certain employees with shares of new UAL stock upon exit from bankruptcy. These equity distributions directly reflect the economic contributions that employees of United made during the restructuring. The distribution for employees is in direct proportion to the labor savings each employee group provided during the bankruptcy reorganization process.

Only Management and Administrative employees employed by United as of December 31, 2005, excluding employees in job grades J and above who participate in the Management Employee Incentive Plan (MEIP), are eligible for the equity distribution.

UAL shares were deposited directly into the Plan. An equity distribution related to the 2006 Plan year was made on April 27, 2007 for a value of $3,649,693, and is included within Employer contributions receivable in the Statement of Net Assets Available for Benefits at December 31, 2006. An additional equity distribution occurred on November 8, 2007 for a value of $120,496, and is included within Employer contributions in the Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2007.

Table of Contents

UAL Convertible Notes Distribution The Bankruptcy Court s approval of the Plan of Reorganization provided that UAL convertible notes be issued to employees to partially offset the retirement benefits that active employees lost when United s defined benefit pension plans were terminated. United senior management (on behalf of Management and Administrative Employees), Professional Airline Flight Control Association, which represents flight dispatchers, and Transport Workers Union, which represents Meteorologists, on behalf of Management and Administrative employees, decided to sell the allotted notes to the general financial community and distribute the cash proceeds to eligible employees.

For salaried and management employees, eligible employees include those who were active as of December 31, 2005, with at least four years of continuous service with United at that time. The initial cash proceeds from the sale of UAL convertible notes were deposited directly into the Plan in 2006. Distribution proceeds of $931,588 and $6,356,654 from the sale of UAL convertible notes as part of the bankruptcy reorganization were contributed to the Plan in 2007, and are included in Employer contributions in the Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2007 and 2006, respectively.

Contributions There are several types of contributions that may be made to the Plan on participants behalf:

Voluntary pre-tax contributions: Eligible employees may elect to make voluntary pre-tax contributions to the Plan in any whole percentage from 1% to 30% of eligible earnings for each pay period. Eligible employees may also make a supplemental election to contribute additional pre-tax contributions of 1% to 90% of their net pre-tax pay. Section 402(g) of the Internal Revenue Code (IRC) limits the amount of pretax 401(k) contributions to a maximum of $15,500 in 2007. Section 415(c) of the IRC limits the total amount of contributions to all qualified defined contribution retirement plans to the lesser of 100% of annual compensation or $45,000.

Employer contributions: United makes matching and/or direct contributions by employee category.

Salaried and Management Employees (Including Engineers represented by International Federation of Professional and Technical Engineers) The Plan provides employer matching contribution equal to 100% of the participant s contributions that do not exceed 4% of the eligible earnings for the Plan year. In 2007, total matching contributions were $17,738,511. In addition, United contributes an equal percentage of the employee s eligible earnings for the Plan year. The percentage amounts range from 2% to 4% based on the sum of the participant s age and Credited Service on January 1 of each Plan year. The participant is not required to contribute to the Plan to receive this direct employer contribution. In 2007, total direct contributions were $14,515,760.

Professional Airline Flight Control Association United contributes 6% of Flight Dispatchers Plan-eligible earnings. In 2007, total direct contributions were $930,758.

Voluntary pre-tax catch-up contributions: Participants age 50 or older, at any time during the Plan year, can make additional pre-tax catch-up contributions to the Plan. This catch-up contribution is available only to the extent the participant has contributed the maximum amount of 401(k) contributions permitted under the Plan and the participant has not exceeded the annual catch-up contribution limit. For calendar year 2007, the maximum catch-up amount is $5,000.

Table of Contents

Rollover contributions: Participants may elect to roll over money into the Plan from certain other qualified employer plans or qualified Individual Retirement Account (IRA). The Plan will not accept a rollover of after-tax contributions. For the year ended December 31, 2007, $2,277,778 was transferred from other qualified plans as rollovers under the IRC Sections 402(c) and 408(d).

The Plan is required to return contributions received during the year in excess of IRC limits. Such amounts have been recorded as Excess contributions payable in the Statement of Net Assets Available for Benefits as of December 31, 2007 and 2006, and in the Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2007.

Participant Accounts Individual accounts are maintained for each Plan participant. Each participant s account is credited with contributions and Plan earnings, and charged with withdrawals, an allocation of Plan losses and administrative expenses. Allocations are based on account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant s vested account.

Investments Participants elect to invest in one or a combination of the investment funds offered by the Plan. Additionally, they may subsequently change their contribution rate, re-designate the allocation of contributions or transfer existing balances among investment funds, subject to the limits set forth in the Plan. Investment options offered by the Plan during the year were:

Fidelity Magellan Fund

Fidelity Equity-Income Fund

Fidelity Growth Company Fund

Fidelity Government Income Fund

Fidelity OTC Portfolio

Fidelity Overseas Fund

Fidelity Balanced Fund

Fidelity Asset Manager 50%

Fidelity Asset Manager: Growth 70%

Fidelity Asset Manager: Income 20%

Fidelity Retirement Money Market Portfolio

Fidelity U.S. Bond Index Fund

Fidelity U.S. Equity Index Commingled Pool

Blended Income Fund

Stated Return Fund (closed to new investments in 1992)

Fidelity Spartan International Index Fund

Vanguard Target Retirement Income

Vanguard Target Retirement 2005

Vanguard Target Retirement 2015

Vanguard Target Retirement 2025

Vanguard Target Retirement 2035

Vanguard Target Retirement 2045

Individual Brokerage Account (Fidelity BrokerageLink)

UAL Stock Fund

Table of Contents

Vesting Participants are vested immediately in their pre-tax contributions, catch-up contributions, rollover contributions and their related earnings thereon. Salaried and Management Employees, including Engineers, are 100% vested in employer matching contributions. Employees will be 100% vested in direct employer contributions upon death or attainment of age 65 while employed by United or an affiliate; otherwise, there is a three-year vesting schedule for direct employer contributions beginning with 33% vested after the first year of service and increasing in 33% increments each year thereafter. Dispatchers who were employed on January 1, 2005 are 100% vested in employer contributions and related earnings. Otherwise, they will be subject to a vesting schedule (starting at 20% after one year of service until 100% after five years of service). They will be 100% vested in employer contributions upon death or attainment of age 65 while still employed by United or an affiliate.

Forfeitures Upon termination of employment, participants will forfeit the nonvested portion of their account balance and such balance will be held in a separate subaccount until the participant incurs a break in service of five full years, at which time the subaccount balance will be forfeited. If the participant resumes employment with United or an affiliate prior to incurring a break in service of five full years, such subaccount will be disregarded and the balance will be included in the participant s account. Forfeitures occurring in a plan year will first be applied to restore the accounts of participants and any remaining forfeitures will be used to reduce employer contributions for the plan year in which the forfeiture occurs. Forfeited nonvested accounts totaled $622,154 and $116,600 at December 31, 2007 and 2006, respectively. For the year ended December 31, 2007, no forfeitures were applied to reduce employer contributions under the Plan.

Participant Loans Active employees who are receiving regular pay from United may borrow from their Plan accounts. A loan may not exceed $50,000 minus the participant s highest outstanding loan balance over the last 12 months or one-half of the total vested Plan account balance, whichever is less. The minimum that may be borrowed is $1,000. Loans are funded from the participant s account by a pro-rata transfer from each investment fund in which the account is invested. Amounts invested in the UAL Stock Fund or Fidelity BrokerageLink must be transferred to another investment fund to be available to fund a loan. The loan is repaid through payroll deductions on an after-tax basis for the term of the loan, a maximum of 60 months and is subject to an annual interest rate at one percent above the prime rate listed in the Wall Street Journal on the business day preceding the effective date of the participant request (interest rates ranged from 5% to 10% at December 31, 2007). If the participant takes out a loan for the purchase of the participant s primary residence, the maximum term of the loan is 15 years. The amount repaid is reinvested in the participant s account based on the investment allocations at the time of repayment. Participants may have up to two loans outstanding at one time. Upon the employee s termination of employment, a loan not paid in full within 60 days becomes a taxable distribution. Loans not paid on the last day of the calendar quarter following the calendar quarter in which the loan installment payment was due will be in default and the outstanding balance of the defaulted loan plus accrued interest will be considered a taxable distribution. An initial fee of $35 is deducted from loan proceeds. In addition, a quarterly maintenance fee of $2.50 is deducted from the participant s account.

Payment of Benefits Withdrawals from the Plan may be made as follows, as applicable to the participant s eligibility, amount requested and existing balances:

Participants who have separated from service (for reasons other than death) may elect payment in the form of a lump sum, periodic installments, or in the form of an immediate fixed or variable annuity. All or a portion of the amount of the distribution may be deferred from the participants current taxable income by a direct rollover into an IRA, qualified plan, an annuity contract or annuity plan under Section 403, and certain governmental plans under Section 457. Participants with account balances exceeding $1,000 may elect to defer receipt of their benefits until minimum distributions are required to start no later than April 1st of the year following the year in which they reach age 70 1/2.

Table of Contents

Distributions of accounts due to the death of a participant may be taken by the participant s beneficiary in the form of a lump-sum payment or through the purchase of an annuity, subject to the limitations of the Internal Revenue Code 401(a)(9).

In-service withdrawals for participants who are actively employed or are absent due to reasons of illness, or approved leave of absence that maintain an employer-employee relationship with United are permitted as follows:

Hardship withdrawals, subject to restrictions described in the Plan and trust agreements.

After reaching age 59- $^1/2$, participant s contributions, catch-up contributions, rollover contributions, the special employer contributions of proceeds of Convertible Notes and UAL stock, and employer contributions made prior to January 1, 2005 (as adjusted for earnings) may be withdrawn at any time.

Active participants that have reached age 70- $^1/2$ may choose to defer distribution until termination of employment.
Generally, withdrawals are allocated pro-rata to the balances of each of the investment funds in the participant s account.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates. The Plan utilizes various investment instruments, including mutual funds and investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Merger of Mileage Plus, Inc. (MPI) Investment Plan During 2007, the Plan was amended to provide for the merger of the MPI Plan into the Plan effective December 31, 2007 (see Note 9). The accounts of those participants who were active employees of MPI as of December 31, 2007, became 100% vested upon merger. For all other participants of the MPI Plan, participant accounts relating to employer matching contributions or non-elective contributions were subject to vesting requirements based on years of service. The amendment supplements treatment of MPI employees represented by the International Association of Machinists and Aerospace Workers (MPI IAM Participant) and MPI salaried, management and administrative employees (MPI SAM Participant). Effective January 1, 2008, MPI IAM Participants shall receive non-elective contributions of 3% from United as of the first payment period beginning on or after the first anniversary of his or her initial employment date. In addition, MPI IAM Participants will be 100% vested in his or her accounts under the Plan at all times. Effective January 1, 2008, MPI SAM Participants will receive employer contributions in an amount equal to 100% of the

Table of Contents

participants elective deferral contribution, not in excess of 4% of the participant s earnings for the plan year. MPI SAM Participant accounts relating to employer matching contributions will be 100% vested at all times. All other MPI participant accounts will be vested based on years of service. Forfeitures occurring in a plan year will be used to pay Plan expenses, restore previously forfeited amounts to participant accounts to the extent required under the plan and applicable law, or reduce the employer s contributions for both MPI SAM Participants and MPI IAM Participants.

MPI Plan s assets were transferred to the Plan at their fair value of $9,479,331 by close of business on December 31, 2007. Each participant s funds were mapped to the same funds that existed in the MPI plan. MPI participants did not get the option of specifying where their funds were transferred. Transfers to the Plan are included within Net Transfers from other plans in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2007.

New Accounting Pronouncements In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), which defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurements. SFAS 157 does not require any new fair value measurements; rather it specifies valuation methods and disclosures to be applied when fair value measurements are required under existing or future accounting pronouncements. SFAS 157 will be adopted in the Plan s financial statements beginning January 1, 2008. Plan management believes the adoption will not have a material effect on the financial statements, but will require additional disclosure.

Investment Valuation and Income Recognition The Plan s investments are held in the United Air Lines, Inc. 401(k) Plans Master Trust (the Trust), which was established for the investment of assets of the Plan and several other plans sponsored by United and administered by the Trustee. Except for the investment contracts discussed in Note 4, the Trustee determines fair value of the underlying Trust assets using quoted market prices on U.S. securities exchanges or other reliable sources. Investments in fully benefit responsive investment contracts are reported at fair value and adjusted to contract value. Shares of mutual funds are valued at the net asset value of shares held by the Trust at year-end.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net Appreciation (Depreciation) in Value of Investments Net appreciation (depreciation) in value of investments includes realized and unrealized gains and losses. Realized and unrealized gains and losses are calculated as the difference between fair value at January 1, or date of purchase if subsequent to January 1, and fair value at date of sale or the current year-end.

Administrative Expenses Administrative expenses, which are paid by the Plan, represent administrative and investment management fees charged by Fidelity, accountant fees, and recordkeeping fees charged by FIIOC. Brokerage and other investment fees are included as a reduction of investment return for such investments. United performs certain reporting and supervisory functions for the Plan without charge.

Table of Contents

Payment of Benefits Benefit payments to participants are recorded upon distribution. There were no amounts allocated to accounts of persons who had elected to withdraw from the Plan but have not yet been paid at December 31, 2007 and 2006.

Transfers between Plans Transfers between plans reflect the change in employee coverage and transfer of any related balances between this Plan and other defined contribution plans sponsored by United, including the United Airlines Ground Employee

401(k) Plan and the United Airlines Flight Attendant 401(k) Plan, and the merger of the MPI Plan discussed above.

3. INVESTMENT IN MASTER TRUST

Assets of the Plan are commingled with the assets of the other participating United plans consisting of the Ground Employee

401(k) Plan and the Flight Attendant 401(k) Plan. Although assets of the plans are commingled in the Trust, the Trustee maintains separate records for each of the plans. Assets of the Trust are reported at fair value and are allocated to the following plans as of December 31, 2007 and 2006, as follows (in thousands):

	December 31, 2007		**December 31, 2006**	
	Amount	**Percent**	**Amount**	**Percent**
Ground Employee 401(k) Plan	$ 1,686,620	39.31%	$ 1,597,050	40.25%
Management and Administrative 401(k) Plan	1,112,146	25.92	1,013,323	25.54
Flight Attendant 401(k) Plan	1,491,715	34.77	1,356,221	34.18
Mileage Plus, Inc. Investment Plus Plan*			1,272	0.03
Total	$ 4,290,481	100.00%	$ 3,967,866	100.00%

* The MPI Plan merged with the Plan effective December 31, 2007 and all accounts and assets were transferred to the Management and Administrative 401(k) Plan.

Table of Contents

Investments of the Trust as of December 31, 2007 and 2006 are as follows (in thousands):

	2007	2006
Fidelity Mutual Funds:		
Magellan Fund	$ 259,982*	$ 223,701*
Equity-Income Fund	174,462	181,009
Growth Company Fund	680,918*	611,851*
Government Income Fund	37,879	27,777
OTC Portfolio	182,712	153,858
Overseas Fund	377,924*	309,001*
Balanced Fund	368,041*	346,152*
Asset Manager 50%	35,497	34,677
Asset Manager: Growth 70%	53,105	52,993
Asset Manager: Income 20%	17,288	17,033
Spartan International Growth	93,779	67,533
Retirement Money Market Portfolio	128,837	100,018
U.S. Bond Index Fund	51,831	44,578
U.S. Equity Index Commingled Pool	354,128*	365,754*
Other Receivables	300	886
Fidelity BrokerageLink	52,254	24,711
Stated Return Fund	93,828	96,983
Blended Income Fund	557,690*	556,228*
UAL Stock Fund	276,237*	384,655*
UAL Stock Purchase Acct	4	6
Vanguard Target Retirement Income	4,111	2,201
Vanguard Target Retirement 2005	21,295	15,900
Vanguard Target Retirement 2015	134,113	102,941
Vanguard Target Retirement 2025	121,470	84,747
Vanguard Target Retirement 2035	61,456	42,556
Vanguard Target Retirement 2045	22,824	14,668
Participant Loan Fund	128,516	105,449
Total investments, at fair value	$ 4,290,481	$ 3,967,866
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(3,517)	6,773
Total investments	$ 4,286,964	$ 3,974,639

* Represents an investment greater than 5% of Trust net assets.

Table of Contents

The Trust s investment gain (loss) for the year ended December 31, 2007, is as follows (in thousands):

Fidelity Mutual Funds:	
Magellan Fund	$ 10,578
Equity-Income Fund	(10,101)
Growth Company Fund	111,336
Government Income Fund	1,068
OTC Portfolio	36,722
Overseas Fund	21,398
Balanced Fund	2,331
Asset Manager 50%	(1,267)
Asset Manager: Growth 70%	2,397
Asset Manager: Income 20%	(237)
Spartan International Growth	5,626
U.S. Bond Index Fund	(34)
U.S. Equity Index Commingled Pool	20,066
Fidelity BrokerageLink	2,983
UAL Stock Fund	(58,423)
Vanguard Target Retirement Income	111
Vanguard Target Retirement 2005	818
Vanguard Target Retirement 2015	5,192
Vanguard Target Retirement 2025	4,689
Vanguard Target Retirement 2035	2,415
Vanguard Target Retirement 2045	885
Net appreciation	158,553
Dividends	147,278
Interest	40,048
Trust investment gain	$ 345,879

- 12 -

Table of Contents

4. GUARANTEED INVESTMENT CONTRACT (GIC S) AND SYNTHETIC GIC S

The Trust holds investments in two types of stable value investment contracts: a traditional GIC as part of the Stated Return Fund and synthetic GICs held by the Blended Income Fund. The investments are fully benefit responsive and, as such, reported at fair value and reconciled to contract value in the Statements of Net Assets Available for Benefits as of December 31, 2007 and 2006.

Guaranteed Investment Contract

The Stated Return Fund contains an annuity insurance contract with Prudential Retirement Insurance and Annuity Company. Participants that elect this option may direct permitted withdrawal or transfers of all or a portion of their account balance at contract value. Contract value represents contributions made under the contracts, plus earnings, less participant withdrawals and administrative expenses.

Interest is credited on contract balances using a single portfolio rate approach. Under this method, a single crediting rate is applied to all contributions made to this fund regardless of the timing of those contributions. Interest crediting rates are determined according to a specific formula. Factors that impact the formula include the fund s cash flow activity as well as the expected and actual investment experience of securities held in a commingled portfolio within Prudential s general account. The minimum crediting rate under the annuity contract is 1.50%. The rates credited to participants at December 31, 2007 and 2006 were 4.64% and 4.55%, respectively. Crediting rates are reviewed on an annual basis for resetting.

The fair value of the investment contracts in the Stated Return Fund held by the Trust at December 31, 2007 and 2006 was $93,828,401 and $96,982,780, respectively. The average yield for the Stated Return Fund was 4.78% and 4.67% for the years ended December 31, 2007 and 2006, respectively.

The Plan s ability to transact at contract value could be limited in the event of contract termination. There are no instances in which the issuer could terminate the contract and settle for an amount different than contract value.

Synthetic GICs

The Blended Income Fund holds investments in synthetic GIC s comprised of a portfolio of U.S. Government and other high quality (rated A- or above) debt securities and wrap contracts with four counterparties. The wrap contracts provide additional assurance that participants will be able to withdraw funds at contract value in the event that market value declines below contract value followed by significant participant withdrawals. The fair value of the Blended Income Fund equals to the sum of the market value of the underlying investments plus the fair value of the wrap rebid, which is calculated by discounting the difference between the contractual wrap rebid fee and the market value of the rebid fee over the remaining duration of the contract. The fair value of the wrap rebid was $0 and $(7,287) at December 31, 2007 and 2006, respectively.

Interest crediting rates are determined by comparing contract value and the estimated future market value, which is determined by compounding the portfolio s current yield to maturity over the remaining duration of the fund. The crediting rate is equal to the discount rate that equates market value and contract value over the remaining duration of the fund. The minimum crediting rate under the Blended Income Fund is 0%. The rates credited to participants at December 31, 2007 and 2006, were 4.88% and 4.53% respectively. Crediting rates are reviewed quarterly for resetting.

The fair value of the investment contracts in the Blended Income Fund held by the Trust at December 31, 2007 and 2006 was $557,689,643 and $556,228,173, respectively. The average yield for the Blended Income Fund for the year ended December 31, 2007 and 2006, was 4.82% and 4.57%, respectively.

Table of Contents

The wrap contracts limit the ability of the Plan to transact at contract value upon the occurrence of certain events. These events include: (i) the Plan s failure to qualify under Section 401(a) or 401(k) of the Internal Revenue Code; (ii) the establishment of a defined contribution plan that competes with the Plan for employee contributions; (iii) any substantive modification of the Plan or the administration of the Plan that is not consented to by the contract issuer; (iv) complete or partial termination of the Plan; (v) any change in law, regulation or administrative ruling applicable to the Plan that could have a material adverse effect on the fund s cash flow; (vi) merger or consolidation of the Plan with another plan, the transfer of Plan assets to another plan, or the sale, spin-off or merger of a subsidiary or division of the Plan sponsor; (vii) any communication given to participants by the Plan sponsor or any other Plan fiduciary that is designed to induce or influence participants not to invest in the Funds or to transfer assets out of the Blended Return Fund; (viii) exclusion of a group of previously eligible employees from eligibility in the Plan; (ix) any early retirement program, group termination, group layoff, facility closing, or similar program; and (x) any transfer of assets from the Blended Return Fund directly to a competing option.

5. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

Certain Trust investments are shares of mutual funds managed by Fidelity. Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund. The administrative fees paid by the Plan to Fidelity for 2007 were $190,188.

The Plan invested in shares of UAL common stock starting March 1, 2006. UAL is the parent company of United and, as such, investment activity related to UAL common stock qualifies as exempt party-in-interest transactions.

6. PLAN TERMINATION

United expects to continue the Plan indefinitely, but reserves the right to terminate the Plan, in whole or in part, provided that Plan termination is effected by a written resolution adopted by a majority of the Board of Directors of UAL subject to the provisions set forth in ERISA. If the Plan is terminated, all amounts credited to a participant s account at the time of termination shall be retained in the Trust and will be distributed in accordance with the normal distribution rules of the Plan and ERISA.

7. FEDERAL INCOME TAX STATUS

The Internal Revenue Service has determined and informed United by a letter dated September 5, 2003, that the Plan and related Trust were designed in accordance with applicable regulations of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed and operated in compliance with the applicable requirements of the Internal Revenue Code and the Plan and related Trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan s financial statements.

Table of Contents

8. RECONCILIATION TO FORM 5500

At December 31, 2007 and 2006, investment contracts that are fully benefit-responsive are reported at contract value in the Plan financial statements. However, these investment contracts are reported at fair value in the Form 5500. The reconciliation between the financial statements and the Form 5500 is as follows (in thousands):

	2007	2006
Net assets available for plan benefits per financial statements	$ 1,111,242	$ 1,024,774
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	808	(1,606)
Net assets available for plan benefits per Form 5500	$ 1,112,050	$ 1,023,168

	Year Ended December 31, 2007
Net investment income per financial statements	$ 91,103
Net change in adjustment from contract value to fair value for fully benefit responsive investment contracts	2,414
Net investment income per Form 5500	$ 93,517

9. PLAN AMENDMENTS

During 2007, the Plan was amended to provide for the merger of the MPI Plan with and into the Plan effective December 31, 2007.

A 2007 Plan amendment also accounts for the treatment of settlement proceeds from the litigation involving the terminated UAL Corporation Employee Stock Ownership Plan. These proceeds were invested into the Plan for each eligible participant in 2007. The amendment also allows any employee or former employee with an account balance under the trust related to the terminated UAL Corporation Employee Stock Ownership Plan to transfer such amounts into the Plan.

Finally, the amendment clarifies that each participant loan is charged pro-rata against the participant s Rollover Contribution Account, the participant s Employer Equity Distribution Account, Note Proceeds Account and all other Employer Contribution Accounts, if any. Amounts invested in the UAL Stock Fund or the Fidelity BrokerageLink Investment fund must be transferred to another investment fund before such amounts are available for a participant s loan.

Table of Contents

SUPPLEMENTAL SCHEDULE

UNITED AIRLINES MANAGEMENT AND

ADMINISTRATIVE 401(k) PLAN

FORM 5500 SCHEDULE H, PART IV, LINE 4i

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

AS OF DECEMBER 31, 2007

(In thousands)

Identity of Issue, Borrower, or Similar Party	Description of Investment	Current Value
(A) Investments Held in the Trust		$ 1,089,371
(A) Participants Loan Balance	Participant loans earning interest from 5% to 10% maturing from 2007 through 2023.	22,775
Adjustment from fair value to contract value for fully benefit-responsive investment contracts		(808)
TOTAL		$ 1,111,338

(A) Denotes party-in-interest investment.

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

United Airlines Management and Administrative 401(k) Plan

Date: June 27, 2008

/s/ M. Lynn Hughitt
M. Lynn Hughitt
Member
Retirement and Welfare Administration Committee, the Plan Administrator

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
23	Consent of Independent Registered Public Accounting Firm