CONTINENTAL AIRLINES INC /DE/
Form 425
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Subject Company: Continental Airlines, Inc.
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Let's Fly Together
May 3, 2010

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Important Information For Investors And Stockholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

The proposed merger of equals transaction between UAL Corporation ("UAL") and Continental Airlines, Inc. ("Continental") will be submitted to the respective stockholders of UAL and Continental for their consideration. UAL will file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 that will include a joint proxy statement of Continental and UAL that also constitutes a prospectus of UAL. UAL and Continental also plan to file other documents with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS OF CONTINENTAL ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and stockholders will be able to obtain free copies of the joint proxy statement/prospectus and other documents containing important information about UAL and Continental, once such documents are filed with the SEC, through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by UAL will be available free of charge on UAL's website at www.united.com under the tab "Investor Relations" or by contacting UAL's Investor Relations Department at (312) 997-8610. Copies of the documents filed with the SEC by Continental will be available free of charge on Continental's website at www.continental.com under the tab "About Continental" and then under the tab "Investor Relations" or by contacting Continental's Investor Relations Department at (713) 324-5152.

UAL, Continental and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Continental in connection with the proposed transaction. Information about the directors and executive officers of Continental is set forth in its proxy statement for its 2010 annual meeting of stockholders, which was filed with the SEC on April 23, 2010. Information about the directors and executive officers of UAL is set forth in its proxy statement for its 2010 annual meeting of stockholders, which was filed with the SEC on April 30, 2010. These documents can be obtained free of charge from the sources indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Reconciliation of Non-GAAP Financial Measures

Financial measures highlighted in this presentation may be considered non-GAAP financial measures such as Earnings Before Income Tax, Depreciation, Amortization, and Rent ("EBITDAR") Margin excluding special items. Comparable GAAP financial measures and a reconciliation of GAAP financial measures to non-GAAP financial measures are available in the Appendix to this presentation.

Forward-Looking Statements

Cautionary Statement Regarding Forward-Looking Statements

This communication contains “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect Continental’s and UAL’s current beliefs, expectations or intentions regarding future events. Words such as “may,” “will,” “could,” “should,” “expect,” “plan,” “project,” “intend,” “anticipate,” “believe,” “predict,” “potential,” “pursue,” “target,” “continue,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Continental’s and UAL’s expectations with respect to the synergies, costs and other anticipated financial impacts of the proposed transaction; future financial and operating results of the combined company; the combined company’s plans, objectives, expectations and intentions with respect to future operations and services; approval of the proposed transaction by stockholders and by governmental regulatory authorities; the satisfaction of the closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward -looking statements, many of which are generally outside the control of Continental and UAL and are difficult to predict. Examples of such risks and uncertainties include, but are not limited to, (1) the possibility that the proposed transaction is delayed or does not close, including due to the failure to receive required stockholder or regulatory approvals, the taking of governmental action (including the passage of legislation) to block the transaction, or the failure of other closing conditions, and (2) the possibility that the expected synergies will not be realized, or will not be realized within the expected time period, because of, among other things, significant volatility in the cost of aircraft fuel, the high leverage and other significant capital commitments of Continental and UAL, the ability to obtain financing and to refinance the combined company’s debt, the ability of Continental and UAL to maintain and utilize their respective net operating losses, the impact of labor relations, global economic conditions, fluctuations in exchange rates, competitive actions taken by other airlines, terrorist attacks, natural disasters, difficulties in integrating the two airlines, the willingness of customers to travel by air, actions taken or conditions imposed by the U.S. and foreign governments or other regulatory matters, excessive taxation, further industry consolidation and changes in airlines alliances, the availability and cost of insurance and public health threats.

UAL and Continental caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in Continental’s and UAL’s most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings. All subsequent written and oral forward-looking statements concerning Continental, UAL, the proposed transaction or other matters and attributable to Continental or UAL or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Neither Continental nor UAL undertakes any obligation to publicly update any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

Glenn Tilton
Chairman, President & CEO
UAL Corporation

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Today We're Proud to Introduce…

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• Creates the world's most comprehensive global network
• Carriers of choice for business and premium travelers
• Superior products and services
• Highly collaborative partnership built on strong alliance relationship
• Merger is pro-consumer and pro-competitive
• Shared commitment to safety and excellence in customer service and operational performance

Combines The U.S. Industry's Two Most Complementary Networks

The Right Deal

Hawaii

Latin

America

Caribbean

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• Platform for sustainable profitability for our customers, our shareholders, our employees, and the communities we serve
• Current conditions provide the platform for structural change
• Economic recovery taking hold
• Competitive landscape has fundamentally changed over the last 10 years
• Consolidation reshaping the global competitive landscape
• Consumers have a low cost carrier choice in 80% of all domestic markets

Unrestricted Liquidity*
Percent of Revenue
* As of 3/31/2010; UAUA includes proceeds from Secured Note Financing
The Right Time
25.0%
24.8%
24.6%
22.6%
19.8%
14.4%
0%
5%
10%
15%
20%
25%
30%

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- Providing customers and communities with access to an unparalleled network serving 370 destinations worldwide
- Award-winning customer service combining with industry-leading on-time performance
- Employees benefit from a stronger global competitor and improved long-term career prospects
- Platform for improved profitability and sustainable long-term value for shareholders
- Targeted annual net synergies of $1.0 billion to $1.2 billion
- Flexibility to adapt to industry dynamics as conditions change

World-Class Global Airline Brings Together the Best of Both

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A True Merger of Equals

Transaction

Corporate Structure

Corporate Headquarters

Management and Board Structure

• All-stock transaction with a combined equity value of over $8 billion

• CAL shareholders receive 1.05 UAUA shares per CAL share

• Ownership*

• 45% CAL shareholders

• 55% UAUA shareholders

• Holding Company: United Continental Holdings, Inc.

• Airline name: United Airlines

• Marketing brand: Combination of Continental livery and logo and United name

• Corporate and operational headquarters in Chicago

• Significant presence maintained in Houston

• CEO to maintain offices in both Chicago and Houston

* Measured as of April 30, 2010

• Glenn Tilton: Non-executive Chairman of the Board for two years

• Jeff Smisek: CEO; to become executive Chairman in two years

• Equitable and balanced selection of executives from both companies of roughly equal numbers

• Board consists of 6 independent directors from both companies, Glenn Tilton, Jeff Smisek, and 2 union representatives

Jeff Smisek
Chairman, President & CEO
Continental Airlines, Inc.

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Substantial Benefits to All Stakeholders

Customers

Expanded global network and
superior product and service

>>>

Communities

Enhanced service and single-carrier
access to best global network
through strategically located hubs

>>>

Employees

Improved long-term career
opportunities and enhanced job stability

>>>

Shareholders

Platform for increased profitability and
sustainable long-term value

>>>

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World-Class Global Network

31 Destinations

14 Countries

62 Daily Departures

Trans-Pacific Service

72 Destinations

24 Countries

156 Daily Departures

Latin American & Caribbean Service

34 Destinations

21 Countries

74 Daily Departures

Trans-Atlantic Service

Source: OAG, Full Year 2010

14
Comprehensive Domestic Network
Los Angeles
San Francisco
Denver
Chicago
Cleveland
New York
Washington D.C.
Houston
14
Source: OAG, Full Year 2010
Guam

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Superior Products and Services

• Continued commitment to award-winning customer service and industry-leading on-time performance

• Award-winning international premium seat products

• 69 lounges around the world

• Financial strength to invest in on-board product and state-of-the-art technology

Combines best-in-class products and services from both companies

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Industry-Leading Loyalty Program
Source: Based on data from public sources including 10-Ks
2009 Frequent Flyer Program Total Members
(millions)
* Subject to overlap between current programs

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Working Together

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Significant Synergies

• Improves efficiencies and eliminates redundancies

• Enhanced products and services will drive revenues

$1.0 - $1.2 Billion of Expected Net Annual Synergies by 2013

Synergies	Value
Revenue Synergies	$0.8 - 0.9 billion
Net Cost Synergies	$0.2 - 0.3 billion
Total Expected Net Annual Synergies	$1.0 - 1.2 billion

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Significant Revenue and Cost Synergies

- Greater ability to match capacity with demand, improve aircraft utilization and optimize connectivity
- Improved access from Continental’s hubs to United’s Asia network
- Improved access from United’s hubs to Continental’s Latin America and European networks
- Single-carrier network is very attractive to corporate customers
- Streamlined corporate overhead
- Efficiencies of combined marketing, sales and advertising functions
- Efficiencies of common IT platforms
- Facilities and service integration due to larger scale
- 75% of synergies expected to be achieved in second year, with full run-rate expected to be achieved in year three

Transition to Be Completed by 2013

Operational
Transition

Target single operating certificate by
first half of 2012;
network optimization; airport co-locations

Corporate & Other

Eliminate redundancies;
streamline management

Technology
Transition

Common technology
platform

• Expected one-time consolidation costs of $1.2 billion over 3 years

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Fleet Optimization

Range

B757

B777

B747

B737 &

A320 Families

Aircraft			
Boeing 747	24	--	24
Boeing 777	52	20	72
Boeing 767	35	26	61
Boeing 757	96	61	157
Boeing 737	--	226	226
Airbus 320 Family	152	--	152
Total	359	333	692

• Utilizing right aircraft in the right markets

• Aircraft size and range offer flexibility to optimize gauge on routes to meet market demand

Aircraft Range and Capacity

Current Mainline Fleet

As of 3/31/10

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Youngest Fleet Among Major U.S. Network Carriers

Average Mainline Fleet Age

(Years)

Fuel Efficiency

Gallons/1,000 ASM 15.2 15.1 16.5 15.9

As of 12/31/09

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Merger Creates Flexibility and Fleet Efficiency

• Combined fleet and best new order book in industry allow for maximum flexibility to better match aircraft capacity to network demand and to accelerate replacement of older aircraft with more fuel efficient aircraft with lower operating costs and less environmental impact

Maximum Retirements

Maximum Options

Mainline Fleet Flexibility

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Industry-Leading RASM

* LOH adjusted; See Appendix

** Industry consists of all carriers shown

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25
Industry-Leading Margin Performance
EBITDAR Margin*
Excluding Special Items - Non-GAAP
Twelve Months Ended First Quarter
2010
First Quarter 2010
Delta shading represents $700MM annual synergy reported in 4Q09
earnings release
* See Appendix