

CONTINENTAL AIRLINES INC /DE/
Form 10-Q
April 22, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 1-10323

CONTINENTAL AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	74-2099724
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1600 Smith Street, Dept. HQSEO
Houston, Texas 77002
(Address of principal executive offices)
(Zip Code)

713-324-2950

(Registrant's telephone number, including area code)

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes

X No _____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes _____ No _____

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	_____
Non-accelerated filer	_____	Smaller reporting company	_____

(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes _____ No

As of April 21, 2010, 139,657,197 shares of Class B common stock of the registrant were outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

CONTINENTAL AIRLINES, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (In millions, except per share data)

	Three Months Ended March 31,	
	2010	2009
	(Unaudited)	
Operating Revenue:		
Passenger:		
Mainline	\$2,322	\$2,198
Regional	481	419
Total Passenger Revenue	2,803	2,617
Cargo	102	85
Other	264	260
Total Operating Revenue	3,169	2,962
Operating Expenses:		
Aircraft fuel and related taxes	854	735
Wages, salaries and related costs	796	765
Aircraft rentals	229	237
Landing fees and other rentals	213	209
Regional capacity purchase, net	201	213
Distribution costs	171	156
Maintenance, materials and repairs	147	153
Depreciation and amortization	134	111
Passenger services	93	88
Special charges	10	4
Other	372	346
Total Operating Expenses	3,220	3,017
Operating Loss	(51)	(55)
Nonoperating Income (Expense):		
Interest expense	(94)	(93)
Interest capitalized	7	8
Interest income	2	4
Other, net	(10)	-
Total Nonoperating Income (Expense)	(95)	(81)
Loss before Income Taxes	(146)	(136)
Income Taxes	-	-
Net Loss	\$(146)	\$(136)

Basic and Diluted Loss per Share	\$(1.05)	\$(1.10)
Shares Used for Basic and Diluted Computation	139	123

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONTINENTAL AIRLINES, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except for share data)

ASSETS	March 31, 2010 (Unaudited)	December 31, 2009	March 31, 2009 (Unaudited)
Current Assets:			
Cash and cash equivalents	\$ 2,861	\$ 2,546	\$ 2,210
Short-term investments	292	310	438
Total unrestricted cash, cash equivalents and short-term investments	3,153	2,856	2,648
Restricted cash, cash equivalents and short-term investments	164	164	173
Accounts receivable, net	617	494	546
Spare parts and supplies, net	277	254	229
Deferred income taxes	205	203	170
Prepayments and other	510	402	617
Total current assets	4,926	4,373	4,383
Property and Equipment:			
Owned property and equipment:			
Flight equipment	8,764	8,769	8,583
Other	1,807	1,787	1,727
Flight equipment and other	10,571	10,556	10,310
Less: Accumulated depreciation	3,603	3,509	