

(In thousands of dollars, except for share data)

ASSETS	December 31, 1994	December 31, 1993
Current Assets:		
Cash and cash equivalents, including restricted cash and cash equivalents of \$118,732 and \$102,439, respectively	\$ 396,298	\$ 721,038
Accounts receivable, net of allowance for doubtful receivables of \$37,809 and \$35,046, respectively	375,621	334,828
Spare parts and supplies, net of allowance for obsolescence of \$36,325 and \$4,621, respectively.	141,781	161,856
Prepayments and other	76,260	79,404
Total current assets.	989,960	1,297,126
Property and Equipment:		
Owned property and equipment:		
Flight equipment.	1,004,337	951,881
Other	281,605	284,362
	1,285,942	1,236,243
Less: Accumulated depreciation	207,206	69,022
	1,078,736	1,167,221
Purchase deposits for flight equipment . . .	166,052	166,984
Capital leases:		
Flight equipment.	400,037	394,236
Other	17,045	2,142
	417,082	396,378
Less: Accumulated amortization	69,103	23,838
	347,979	372,540
Total property and equipment.	1,592,767	1,706,745
Other Assets:		
Routes, gates and slots, net of accumulated amortization of \$96,642 and \$39,241, respectively.	1,591,140	1,672,759
Reorganization value in excess of amounts allocable to identifiable assets, net of accumulated amortization of \$31,197 and \$13,838, respectively	318,206	335,565
Other assets, net.	109,109	86,301
Total other assets.	2,018,455	2,094,625
Total Assets.	\$4,601,182	\$5,098,496

(continued on next page)

CONTINENTAL AIRLINES, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars, except for share data)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 1994	December 31, 1993
Current Liabilities:		
Debt and capital lease obligations in default.	\$ 489,865	\$ -
Current maturities of long-term debt	126,186	176,228
Current maturities of capital leases	25,788	40,556
Accounts payable	629,939	566,268
Air traffic liability.	584,108	590,994
Accrued payroll and pensions	178,648	167,859

Accrued other liabilities	373,273	364,204
Total current liabilities	2,407,807	1,906,109
Long-Term Debt	1,038,165	1,369,885
Capital Leases	164,349	405,387
Deferred Credits and Other Long-Term Liabilities:		
Deferred income taxes	28,100	50,767
Deferred credit - operating leases	137,606	288,556
Accruals for aircraft retirements and excess facilities	391,947	-
Other	251,118	288,395
Total deferred credits and other long-term liabilities	808,771	627,718
Commitments and Contingencies		
Minority Interest	25,800	21,935
Redeemable Preferred Stock (aggregate redemption value - \$55,966 and \$50,497, respectively)	52,606	46,916
Common Stockholders' Equity:		
Class A common stock - \$.01 par, 50,000,000 shares authorized; 6,301,056 shares and 6,013,216 shares issued and outstanding at December 31, 1994 and 1993, respectively . .	63	60
Class B common stock - \$.01 par, 100,000,000 shares authorized; 20,403,512 shares and 19,509,352 shares issued at December 31, 1994 and 1993, respectively	204	195
Additional paid-in capital	778,382	764,274
Accumulated deficit	(651,891)	(38,549)
Unearned portion of restricted stock issued for future service	(13,872)	-
Additional minimum pension liability	(6,549)	(5,434)
Unrealized loss on marketable equity securities	(2,218)	-
Treasury stock - 30,000 shares in 1994	(435)	-
Total common stockholders' equity	103,684	720,546
Total Liabilities and Stockholders' Equity	\$4,601,182	\$5,098,496

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

Item 8. Note 4. Summary of Significant Accounting Policies. Earnings (Loss) per Share is amended and restated in its entirety as follows:

NOTE 4 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Earnings (Loss) per Share -

Earnings (loss) per common share computations are based upon earnings (loss) applicable to common shares and the average number of shares of common stock and dilutive common stock equivalents (stock options, warrants and restricted stock) outstanding. The number of shares used in the computation for the year ended December 31, 1994 and the period April 28, 1993 through December 31, 1993 was 26,053,527 and 18,022,918, respectively. Preferred stock dividend requirements (including additional dividends on unpaid dividends) and accretion to redemption value on preferred stock increased the net loss for this computation by approximately \$5.7 million and \$3.5 million for the year ended December 31, 1994 and for the period April 28, 1993 through December 31, 1993, respectively. On the Effective Date, all of the outstanding common and preferred stock of Holdings was cancelled. Information regarding the earnings (loss) per share computation relating to the pre-reorganization stock is not comparable with data provided for Class A and Class B and is therefore not included.

Item 14. (b) Schedule I. Condensed Balance Sheet is amended and restated in its entirety as follows:

CONTINENTAL AIRLINES, INC.
(Parent Company Only)

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED BALANCE SHEET (a)(b)

(In thousands of dollars, except for share data)

ASSETS	December 31, 1994	December 31, 1993
Current Assets:		
Cash and cash equivalents, including restricted cash and cash equivalents of \$118,732 and \$102,439, respectively	\$ 325,728	\$ 680,962
Accounts receivable, net	281,734	309,455
Accounts receivable from subsidiaries, net	64,447	-
Notes receivable from subsidiaries	97,825	46,221
Spare parts and supplies, net.	119,796	136,522
Prepayments and other.	70,369	70,707
Total current assets.	959,899	1,243,867
Property and Equipment:		
Owned property and equipment, net of accumulated depreciation of \$180,281 and \$62,297, respectively	1,017,317	1,111,110
Purchase deposits for flight equipment	166,052	166,984
Capital leases, net of accumulated amortization of \$58,169 and \$19,291, respectively	311,299	329,473
Total property and equipment	1,494,668	1,607,567
Other Assets:		
Routes, gates and slots, net of accumulated amortization of \$73,041 and \$29,730, respectively.	1,051,141	1,118,670
Reorganization value in excess of amounts allocable to identifiable assets, net of accumulated amortization of \$22,999 and \$10,585, respectively	210,659	223,073
Investment in subsidiaries	257,502	272,303
Notes receivable from subsidiaries	-	56,875
Other assets, net.	66,467	43,935
Total other assets	1,585,769	1,714,856
Total Assets	\$4,040,336	\$4,566,290

These Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Notes to Schedule I.

CONTINENTAL AIRLINES, INC.
(Parent Company Only)
SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CONDENSED BALANCE SHEET (a)(b)
(In thousands of dollars, except for share data)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 1994	December 31, 1993
Current Liabilities:		
Debt and capital lease obligations in default.	\$ 489,865	\$ -
Current maturities of long-term debt (c)	108,620	160,250
Current maturities of capital leases	18,278	33,620
Accounts payable	548,258	472,762
Accounts payable to subsidiaries, net.	-	10,795
Air traffic liability.	551,810	590,994
Accrued other liabilities.	492,885	459,602
Total current liabilities	2,209,716	1,728,023
Long-Term Debt (c).	859,773	1,178,989
Capital Leases.	119,798	353,606

Deferred Credits and Other Long-Term Liabilities	694,759	538,210
Commitments and Contingencies (d)		
Redeemable Preferred Stock (aggregate liquidation value - \$55,966 and \$50,497, respectively) (e)	52,606	46,916
Common Stockholders' Equity:		
Class A common stock - \$.01 par, 50,000,000 shares authorized; 6,301,056 shares and 6,013,216 shares issued and outstanding at December 31, 1994 and 1993, respectively (e)	63	60
Class B common stock - \$.01 par, 100,000,000 shares authorized; 20,403,512 shares and 19,509,352 shares issued at December 31, 1994 and 1993, respectively (e)	204	195
Additional paid-in capital	778,382	764,274
Accumulated deficit	(651,891)	(38,549)
Unearned portion of restricted stock issued for future services	(13,872)	-
Additional minimum pension liability	(6,549)	(5,434)
Unrealized loss on marketable equity securities	(2,218)	-
Treasury stock - 30,000 shares in 1994	(435)	-
Total common stockholders' equity	103,684	720,546
Total Liabilities and Stockholders' Equity	\$4,040,336	\$4,566,290

These Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Notes to Schedule I.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONTINENTAL AIRLINES, INC.

(Registrant)

Date: May 12, 1995

by: /s/ Jeffery A. Smisek

Jeffery A. Smisek
Senior Vice President,
General Counsel and Secretary
(On behalf of Registrant)