

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

**FORM 8-K**

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

Date of Report (Date of earliest event reported): **April 20, 2005**

**CONTINENTAL AIRLINES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**

(State or Other Jurisdiction of Incorporation)

**1-10323**

(Commission File Number)

**74-2099724**

(IRS Employer Identification No.)

**1600 Smith Street, Dept. HQSEO, Houston, Texas**

(Address of Principal Executive Offices)

**77002**

(Zip Code)

**(713) 324-2950**

(Registrant's Telephone Number, Including Area Code)

\_\_\_\_\_  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

<input type="checkbox"/>	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
<input type="checkbox"/>	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
<input type="checkbox"/>	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
<input type="checkbox"/>	Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01. Entry into a Material Definitive Agreement**

Effective as of April 1, 2005, we implemented an enhanced profit sharing program for employees. The new program, which will be in place through 2009, creates an award pool for employees equal to 30% of the first \$250 million of pre-tax net income, 25% of the next \$250 million and 20% of amounts over \$500 million, subject to certain adjustments. Half of the profit-sharing pool will be allocated to employees based on the relative share of pay and benefit concessions of each work group and the other half will be allocated based on the relative wages of each work group. All Continental employees who participate in the company's pay and

benefit cost reduction initiative (other than employees who participate in our management or officer bonus programs and certain non-U.S. employees) will participate in the plan. A copy of the Enhanced Profit Sharing Plan is filed herewith as Exhibit 99.1.

Item 2.02 Results of Operations and Financial Condition

On April 20, 2005, we issued a press release announcing our financial results for the first quarter of 2005. The press release is furnished herewith as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

a. Exhibits

- 99.1 Enhanced Profit Sharing Plan
- 99.2 First Quarter Earnings Press Release

SIGNATURE

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

CONTINENTAL AIRLINES, INC.

April 20, 2005

By /s/ Jennifer L. Vogel

Jennifer L. Vogel

Senior Vice President, General Counsel  
and Secretary

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- 99.2 First Quarter Earnings Press Release

CONTINENTAL AIRLINES, INC.

ENHANCED PROFIT SHARING PLAN

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**CONTINENTAL AIRLINES, INC.**

**ENHANCED PROFIT SHARING PLAN**

**ARTICLE I**

**DEFINITIONS**

As used in this Plan, the following terms with initial capital letters have the meanings hereinafter set forth, unless the context reasonably requires a broader, narrower or different meaning.

**1.1 Award.** "Award" means, with respect to each Year, the amount equal to the portion of the Annual Award Pool allocated to each Participant for such Year as determined under Section 6.1.

**1.2 Annual Award Pool.** "Annual Award Pool" means, with respect to each Year, the total amount available for allocation to Participants for such Year, as determined under Article V.

**1.3 Beneficiary.** "Beneficiary" means the person or persons determined in accordance with Section 7.3 to receive any unpaid portion of any Award distributable under the Plan on account of the death of a Participant.

**1.4 Base Pay.** "Base Pay" means, with respect to each Employee for a particular Year, the regular straight-time earnings or base salary, together with payments for overtime, on-time performance bonuses and commissions or sales incentives, paid with respect to such Employee by the Company or a Subsidiary during the Year, but excluding any equity based compensation, any payments under this Plan, any other bonuses and any other special payments.

**1.5 Board.** "Board" means the Board of Directors of the Company.

**1.6 Code.** "Code" means the Internal Revenue Code of 1986, as amended.

**1.7 Committee.** "Committee" means the committee described in [Section 3.1](#) that is appointed by the Board to administer the Plan.

**1.8 Company.** "Company" means Continental Airlines, Inc., a Delaware corporation, or any successor which assumes the Plan.

**1.9 Effective Date.** "Effective Date" means April 1, 2005.

**1.10 Employee.** "Employee" means any full-time or part-time employee (i) on the payroll of the Company or of any wholly owned Subsidiary, or (ii) on the payroll of any other Subsidiary if, and on such terms as, designated by the Committee or the Board. For this purpose, "on the payroll" shall mean paid by payroll check through payroll and not a check through accounts payable, without regard to any reclassification resulting from any controversy concerning the employment status of the Employee.

**1.11 Employment.** "Employment" means employment by the Company or a Subsidiary. In this regard, neither the transfer of a Participant from Employment by the Company to Employment by a Subsidiary nor the transfer of a Participant from Employment by a Subsidiary to Employment by the Company or another Subsidiary shall be deemed to be a termination of Employment of the Participant. Moreover, the Employment of a Participant shall not be deemed to have been terminated because of absence from active Employment on account of temporary illness or during authorized vacation or during temporary leaves of absence from active employment granted by the Company or a Subsidiary for reasons of professional advancement, education, health, or government service, or during any period the Participant is on military leave in accordance with the Company's military leave policy, or during any period required to be treated as a leave of absence by virtue of any valid law or agreement.

**1.12 Excluded Person.** "Excluded Person" means, with respect to each Year, (i) any Employee who is a member of a labor work group that is not listed on [Schedule A](#), (ii) any Employee who participates during such Year in the Company's Annual Executive Bonus Program, or any other bonus program of the Company or a Subsidiary designated by the Committee as disqualifying such Employee from participation under the Plan with respect to such Year, and (iii) any Employee who is a Grade 46 or higher level Employee on the last day of such Year (or who has Retired from Employment as a Grade 46 or higher level Employee or died while a Grade 46 or higher level Employee during such Year).

**1.13 Individual Workgroup Award Pool.** "Individual Workgroup Award Pool" has the meaning set forth in [Exhibit A](#).

**1.14 Individual Workgroup Reductions.** "Individual Workgroup Reductions" has the meaning set forth in [Exhibit A](#).

**1.15 Individual Workgroup Wages.** "Individual Workgroup Wages" has the meaning set forth in [Exhibit A](#).

**1.16 Participant.** "Participant" has the meaning set forth in [Section 4.1](#).

**1.17 Plan.** "Plan" means the Continental Airlines, Inc. Enhanced Profit Sharing Plan, the terms of which are set forth herein, and as the same may hereafter be amended from time to time.

**1.18 Pre-tax Net Income.** "Pre-tax Net Income" means, with respect to each Year, the consolidated income before taxes but after minority interest (as computed using net income (loss) before taxes) of the Company for such Year determined by the Company in accordance with generally accepted accounting principles ("GAAP"), as shown on the Company's consolidated financial statements for such Year, but calculated (i) excluding any unusual or non-recurring items in accordance with GAAP and (ii) prior to any costs associated with executive incentive compensation (defined as incentive compensation for executives of the Company with performance targets determined by the Human Resources Committee of the Board), in each case as determined by the Committee.

**1.19. Reduction Program.** "Reduction Program" has the meaning set forth in [Exhibit A](#).

**1.20. Retired.** "Retired" or "Retirement" means the termination of Employment (for any reason other than involuntary termination for cause), after satisfaction of all age and service requirements for either early retirement or normal retirement under the Continental Retirement Plan, as amended from time to time.

**1.21 Subsidiary.** "Subsidiary" means (i) any wholly owned subsidiary of the Company or of any wholly owned subsidiary thereof, or (ii) any other corporation or business venture in which the Company owns, directly or indirectly, a significant financial interest, but only if, and on such terms as, the Committee designates such corporation or business venture to be a Subsidiary for the purposes of this Plan for any Year, and if the board of directors (or equivalent governing authority) of such corporation or business venture consents to being designated as a Subsidiary.

**1.22 Total Participant Wages.** "Total Participant Wages" has the meaning set forth in [Exhibit A](#).

**1.23 Total Reductions.** "Total Reductions" has the meaning set forth in [Exhibit A](#).

**1.24 Workgroup.** "Workgroup" has the meaning set forth in [Exhibit A](#).

**1.25 Year.** "Year" means the period corresponding to the fiscal year of the Company and for purposes of this Plan refers to the Year for which an Annual Award Pool has been determined to be available for allocation to Participants pursuant to the terms of the Plan.

## ARTICLE II

### THE PLAN

**2.1 Purpose.** The purpose of the Plan is to recognize the voluntary wage and benefit reductions and workrule enhancements that Participants are making in 2005 and thereafter, to promote the growth and prosperity of the Company and each Subsidiary, to motivate Participants to achieve strategic, financial and operating objectives, and to reward improvement in financial performance, thereby permitting the Company and each Subsidiary to attract and retain superior personnel at all levels of responsibility and to provide Participants with an additional incentive to contribute to the success of the Company and its Subsidiaries. The Plan provides for incentive compensation and, accordingly, is not intended to be a plan that is subject to Parts 1 through 4 of Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended, and shall be administered accordingly.

**2.2 Effective Date.** The Plan shall become effective on the Effective Date.

## ARTICLE III

### ADMINISTRATION

**3.1 Composition and Authority of Committee.** The Plan shall be solely administered by a committee appointed by the Board, which Committee shall consist of at least three members. Such Committee shall be the Human Resources Committee of the Board or such other Committee as may be designated by the Board, in its sole discretion, to administer the Plan. The Board shall have the power from time to time to remove members of the Committee and to fill vacancies on the Committee arising by resignation, death, removal, or otherwise. Subject to the express provisions of the Plan, the Committee shall have full authority to administer, interpret and construe the Plan in its discretion, and to make all other determinations in its discretion and take all other actions necessary or advisable in the administration of the Plan.

**3.2 Action by Committee.** A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the Committee present at a meeting of the Committee shall decide any question brought before the meeting and shall be the act of the Committee. In addition, the Committee may act by unanimous written consent and may also take any other action otherwise proper under the Plan by an affirmative vote, taken without a meeting, of a majority of its members.

**3.3 Delegation.** The Committee may, in its discretion, delegate one or more of its duties to an officer or Employee of the Company or a committee composed of officers and/or Employees of the Company, but may not delegate its authority to construe the Plan.

**4. Reliance upon Information.** Neither the Committee nor any officer or Employee of the Company (including any committee composed of officers and/or Employees of the Company to whom duties are delegated pursuant to Section 3.3) shall be liable for any decision or action taken in good faith in connection with the administration of the Plan. Without limiting the generality of the foregoing, any such decision or action taken by the Committee or any such persons in reliance upon any information supplied to it or them by any officer of the Company or any Subsidiary, the Company's or any Subsidiary's legal counsel or the Company's or any Subsidiary's independent accountants or internal audit staff in connection with the administration of the Plan shall be deemed to have been taken in good faith.

## ARTICLE IV

### PARTICIPATION

**4.1 Participation.** For any Year, each Employee of the Company or a Subsidiary who remains in Employment on the last day of the Year (or who has Retired from Employment or died while an Employee during such Year) shall be a "Participant" with respect to such Year; provided, however, that no Excluded Person shall be a Participant. Subject to Section 7.5, each Participant with respect to a Year shall be entitled to share in any Annual Award Pool for such Year in accordance with the allocation and vesting provisions set forth in Article VI.

## ARTICLE V

### ANNUAL AWARD POOL

**5.1 Annual Award Pool.** Subject to Section 5.2, the "Annual Award Pool" for any Year shall be equal to **A** multiplied by **B**, where:

**A** equals the sum of:

(i) The dollar amount of Pre-tax Net Income, if any, earned with respect to such Year up to and including \$250 million multiplied by 30%; plus

(ii) The dollar amount of Pre-tax Net Income, if any, earned with respect to such Year in excess of \$250 million and up to and including \$500 million multiplied by 25%; *plus*

(iii) The dollar amount of Pre-tax Net Income, if any, earned with respect to such Year in excess of \$500 million multiplied by 20%; and

**B** equals a fraction, the numerator of which is the total Base Pay of all Participants for such Year and the denominator of which is the sum of (i) the total Base Pay of all Participants for such Year *plus* (ii) the total Base Pay of all Excluded Persons for such Year who remain in Employment on the last day of such Year (or who have Retired from Employment or died while an Employee during such Year).

**5.2 Minor Pools.** Notwithstanding the provisions of Section 5.1, if the Annual Award Pool, as calculated in accordance with Section 5.1 with respect to any Year, is less than one half of one percent (0.5%) of the denominator used in the fraction set forth in item **B** of Section 5.1 (such amount being referred to as a "Minor Pool"), then, at the discretion of the Committee, the Annual Award Pool for that Year shall be deemed to be zero, and the amount of the Minor Pool (and any other prior Minor Pool amounts not yet paid out under the Plan) shall be carried forward and added to the Annual Award Pool for the following Year (or any next succeeding Year as may be necessary for the Annual Award Pool for the Year in question to exceed one half of one percent (0.5%) of the denominator used in the fraction set forth in item **B** of Section 5.1 for such Year). Any Minor Pool remaining upon the termination of the Plan and not included in a successor profit sharing plan shall revert to the Company and not be paid out. The Annual Award Pool shall also be adjusted (i) to take into account any amounts paid out in advance pursuant to the second paragraph of Section 6.1, and (ii) in the case of the first Annual Award Pool hereunder that is not a Minor Pool, for unpaid amounts, if any, with respect to the Company's previous profit sharing plan.

## ARTICLE VI

### ALLOCATION AND VESTING OF AWARDS

**6.1 Allocation of Annual Award Pool, Vesting.** As soon as practicable after the close of each Year and the certification of the Annual Award Pool for that Year by the Company's internal audit staff and Chief Financial Officer, the Annual Award Pool shall be allocated by the Committee among the Participants (and any amount not so allocated shall not be paid to Participants hereunder). As of the end of the Year to which any Annual Award Pool applies, the Committee shall allocate any Annual Award Pool in accordance with Exhibit A attached hereto. Subject to Section 7.5, amounts so allocated shall be 100% vested and nonforfeitable and shall be payable in accordance with Article VII.

Upon the recommendation of the Chief Executive Officer, but solely in the discretion of the Committee, an advance payment of a portion of the expected Annual Award Pool may be made during a particular Year. The amount of such portion and the date of payment thereof shall be in the sole discretion of the Committee; provided that in no case may such portion (together with any other portions paid out in advance during a particular Year) exceed 50% of the expected Annual Award Pool for such Year. Such advance payment shall be allocated by the Committee in accordance with Exhibit A attached hereto, but using applicable Base Pay from the beginning of such Year through the end of any month preceding such advance payment chosen by the Committee (the "Month End") in lieu of annual Base Pay in making the applicable calculations, and deeming solely for purposes of such advance payment an Employee to be a Participant if the Employee is an Employee of the Company or a Subsidiary who remains in Employment as of the Month End (or who has Retired from Employment or died while an Employee during such Year and prior to the Month End.).

## ARTICLE VII

### DISTRIBUTIONS AND PAYMENTS

**7.1 Payor of Awards.** Subject to the following provisions hereof, any Award payable under the Plan with respect to a Participant for a given Year shall be the obligation of and paid by the Company or any Subsidiary, whichever may be applicable, or any successor pursuant to Section 9.2, that employed the Participant at the end of the Year with respect to which the Award was made. Adoption and maintenance of the Plan by the Company and any Subsidiary shall not create a joint venture or partnership relationship among or between such persons for purposes of payment of Awards under the Plan or for any other purpose.

**7.2 Cash Payment.** Subject to Section 7.5, the Award shall be paid by the Company or Subsidiary, as the case may be, to the Participant (or Beneficiary) in full in the form of a single sum payment in cash as promptly as administratively practicable following the last day of the Year to which the Award pertains; but in any event not later than two and one-half months following the last day of the Year to which the Award pertains. The Company or Subsidiary, as the case may be, shall deduct from amounts paid under this Section 7.2 any taxes required to be withheld by applicable law.

**7.3 Death of Participant.** Any Award with respect to a Participant that remains unpaid, in whole or in part, at the death of the Participant shall (subject to Section 7.5 and the provisions of Section 7.2 regarding withholding of taxes) be paid in a single sum



payment of cash to the Participant's Beneficiary as soon as administratively practicable following the death of the Participant (but no sooner than Awards are generally paid). Each Participant shall have the right to designate a Beneficiary to receive any amount payable under the Plan with respect to the Participant after the Participant's death. Any designation (or change in designation) of a Beneficiary must be filed with the Committee in a time and manner designated by the Committee in order to be effective. Any such designation of a Beneficiary may be revoked by the Participant by filing a later valid designation or an instrument of revocation with the Committee in a time and manner designated by the Committee. If no Beneficiary designation under the Plan is on file with the Committee at the time of the death of the Participant or if such designation is not effective for any reason as determined by the Committee, then the Participant's Beneficiary for purposes of the Plan shall be determined as follows:

(a) If the Participant leaves a surviving spouse, then the Participant's Beneficiary shall be such surviving spouse;

(b) If the Participant leaves no surviving spouse, then the Participant's Beneficiary shall be his or her beneficiary designated under the Company's principal plan that provides for elective deferrals pursuant to section 401(k) of the Code;

(c) If the Participant (i) leaves no surviving spouse and (ii) as of the date of his or her death, does not have an account balance under the plan referred to in clause (b) above, has no beneficiary designation on file under such plan, or his or her beneficiary designation under such plan is not effective for any reason as determined by the administrator of such plan, then the Participant's Beneficiary shall be his or her beneficiary properly designated under the principal plan that provides for elective deferrals pursuant to section 401(k) of the Code that is maintained by the Subsidiary employing such Participant most recently prior to the date of his death; and

(d) In the absence of the determination of a Beneficiary pursuant to clauses (a), (b) and (c) above, then the Participant's Beneficiary shall be (i) the Participant's executor or administrator or (ii) the Participant's heirs at law if there is no administration of the Participant's estate.

**7.4 Nonalienation of Benefits.** No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge the same will be void. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, or torts of the person entitled to such benefits. If any Participant (or Beneficiary) hereunder shall become bankrupt or attempt to anticipate, alienate, assign, sell, pledge, encumber, or charge any right or benefit hereunder, or if any creditor shall attempt to subject the same to a writ of garnishment, attachment, execution, sequestration, or any other form of process or involuntary lien or seizure, then such right or benefit shall, in the discretion of the Committee, cease and terminate.

**7.5 Forfeiture for Cause.** Notwithstanding any other provision of the Plan, a Participant (and his or her Beneficiary) shall forfeit his or her Award if his or her Employment is terminated for cause or gross misconduct prior to payment of such Award.

## ARTICLE VIII

### TERMINATION OR AMENDMENT OF THE PLAN

**8.1 Termination or Amendment.** Unless earlier terminated pursuant to Section 2.2 or as provided below, the Plan shall automatically terminate at the close of business on December 31, 2009; provided that the Plan shall remain in effect thereafter to the extent necessary to permit payment of any Awards with respect to the Year 2009. The Board (or the Committee) may at any time amend, modify, revise or terminate the Plan; provided, that Schedule A to Exhibit A shall automatically be amended from time to time without action by the Committee or the Board as set forth on Exhibit A.

**8.2 Modification or Termination following Award.** Subject to the provisions of Section 9.2, modification, amendment, revision or termination of the Plan shall not adversely affect rights or obligations under the Plan with respect to any Awards made prior to such modification, amendment, revision or termination, without the consent of the affected persons.

## ARTICLE IX

### MISCELLANEOUS

**9.1 Other Compensation Plans.** The adoption of the Plan shall not affect any other compensation plans in effect for the Company or any Subsidiary or affiliate of the Company except as may specifically be provided under the terms and provisions of such other plan, nor shall the Plan preclude the Company or any Subsidiary or affiliate thereof from establishing any other forms of incentive or other compensation for Employees.

**9.2 Powers of the Company.** The existence of outstanding and unpaid Awards under the Plan shall not affect in any way the right or power of the Company or any Subsidiary to make or authorize any adjustments, stock dividends, spin-offs or other extraordinary dividends, stock splits, combinations of shares, recapitalizations, reorganizations or other changes in the Company's or Subsidiary's

capital structure or in its business, or any merger or consolidation of the Company or any Subsidiary, or any issue of bonds, debentures, common or preferred stock, if applicable, or the dissolution or liquidation of the Company or any Subsidiary, or any sale or transfer of all or any part of its assets or business, or any other act or proceeding, whether of a similar character or otherwise.

Should the Company or any Subsidiary (or any successor thereto) elect to dissolve, enter into a sale of its assets, or enter into any reorganization incident to which it is not the surviving entity, unless the surviving or successor entity shall formally agree to assume the Plan, the Plan shall terminate with respect to the Company or any Subsidiary (or any successor thereto) on the earlier of the date of closing or the effective date, whichever may be applicable, of such transaction, and the full amount of any Awards remaining unpaid in respect of Years ended prior to such applicable date shall nevertheless be paid to each such Participant (or Beneficiary) in a single lump sum payment of cash in accordance with the terms of the Plan.

**9.3 Plan Binding on Successors.** The Plan shall be binding upon the successors and assigns of the Company and any Subsidiary.

**9.4 No Guarantee of Employment.** Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Company or any Subsidiary or affiliate of the Company or to interfere with the right of the Company or any Subsidiary or affiliate of the Company to discharge any Participant or Employee at any time, including at the end of any Year, regardless of the effect which such discharge shall have upon a Participant in the Plan.

**9.5 Liability of Employer.** Each Participant, Beneficiary or other person who shall claim a right or benefit under this Plan shall be entitled only to look to the Participant's employer for such benefit, and no officer or director of the Company or any Subsidiary or member of the Committee or any other person shall have any liability for such benefit.

**9.6 Payment of Plan Expenses.** The Company and each Subsidiary will pay its pro rata share of all expenses that may arise in connection with the administration of this Plan.

**9.7 Headings.** Any headings or subheadings in this Plan are inserted for convenience of reference only and are to be ignored in the construction of any provisions hereof. All references in this Plan to Articles and Sections are to Articles and Sections of this Plan unless specified otherwise.

**9.8 Gender and Tense.** Any words herein used in the masculine shall be read and construed in the feminine where they would so apply. Words in the singular shall be read and construed as though in the plural in all cases where they would so apply.

**9.9 Governing Law.** This Plan shall be construed in accordance with the laws of the State of Texas to the extent federal law does not supersede and preempt Texas law.

**9.10 Severability.** If any provision of this Plan shall be held illegal, invalid, or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never been included herein.

**9.11 No Guarantee of Tax Consequences.** None of the Company, any Subsidiary, the Committee or any officer or director makes any commitment or guarantee that any federal or state tax treatment will apply or be available to any person participating or eligible to participate in this Plan.

**9.12 Notice.** Whenever any notice is required or permitted hereunder, such notice must be in writing and personally delivered or sent by mail. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered on the date which it is personally delivered, or, whether actually received or not, on the third business day after it is deposited in the United States mail, postage prepaid, addressed to the person who is to receive it at the address specified below. The Company or a Subsidiary shall be entitled to use the address of a Participant as it appears in the personnel records of the employer. Participants shall be entitled to use, as the address for the Company or a Subsidiary, the address of the Company's principal corporate office. Any person entitled to notice hereunder may waive such notice.

**Exhibit A**

**CONTINENTAL AIRLINES, INC.**

**ENHANCED PROFIT SHARING PLAN**

**ANNUAL AWARD POOL ALLOCATION**

All calculations pursuant to this Exhibit A shall be made at the sole discretion of the Committee, which may rely on calculations or certifications made by the internal audit staff of the Company, the Chief Financial Officer of the Company, or other employees of the Company. As of the end of the Year to which any Annual Award Pool applies, the Committee shall allocate such Annual Award Pool as follows:

(a) First, the Annual Award Pool for such Year shall be allocated to individual Workgroups as follows:

(i) Half of the Annual Award Pool shall be allocated to each Workgroup and contributed to each Individual Workgroup Award Pool in the proportion that the Individual Workgroup Reductions of such Workgroup bears to Total Reductions; and

(ii) Half of the Annual Award Pool shall be allocated to each Workgroup and contributed to each Individual Workgroup Award Pool in the proportion that the Individual Workgroup Wages for such Year of such Workgroup bears to Total Participant Wages for such Year.

(b) Next, the Individual Workgroup Award Pool for such Year for each Workgroup shall then be allocated as Awards to each Participant for such Year that is a member of such Workgroup and who satisfies the requirements of Section 4.1 in the proportion that the total Base Pay of each such Participant with respect to such Year bears to the total Base Pay for all such Participants in such Workgroup with respect to such Year; provided however, that the Award to any Participant who participates during such Year in any required profit sharing or similar arrangement with respect to the Company or any Subsidiary pursuant to the legal requirements of the country or other jurisdiction of such Participant's residence or principal place of work (a "Local Award") shall be reduced by the amount of such Local Award paid or accrued to such Participant with respect to such Year, and the applicable Individual Workgroup Award Pool for such Year shall be reduced by the amount of the Local Award(s) and retained by the Company or Subsidiary, as applicable.

**Additional Definitions.** As used in this Exhibit A, the following additional terms with initial capital letters have the meanings hereinafter set forth:

"Individual Workgroup Award Pool" means, with respect to each Year, the portion of the Annual Award Pool for such Year that represents the total annual amount available under the Plan for allocation to Participants within the applicable Workgroup for such Year.

"Individual Workgroup Reductions" means the total annual dollar value of all wage and benefit reductions and workrule enhancements implemented by the Company in connection with the Reduction Program applicable with respect to a specific Workgroup, excluding reductions applicable to Excluded Persons in such Workgroup, with such annual value calculated based on the targeted reductions within the Reduction Program. Individual Workgroup Reductions for a Workgroup that is added to Schedule A after the Effective Date shall be such Workgroup's targeted reductions in the Reduction Program.

"Individual Workgroup Wages" means, with respect to each Year, the total annual Base Pay for all Participants associated with a specific Workgroup with respect to such Year. If (i) a Workgroup failed to ratify or implement the requested reductions by the target date set by the Company and (ii) such Workgroup is subsequently added to Schedule A but their Individual Workgroup Reductions will not be effective for the full Year, then such Workgroup's Individual Workgroup Wages for such Year will be adjusted to reflect the portion of the Individual Workgroup Reductions that are not captured in Individual Workgroup Wages for the period that the members of such Workgroup were not Participants.

"Reduction Program" means the cost reduction program announced by the Company in November 2004. Upon the addition to Schedule A of a Workgroup after the Effective Date, the Reduction Program shall include the targeted reductions for such added Workgroup.

"Total Participant Wages" means, with respect to each Year, the total annual Base Pay for all Participants associated with all Workgroups with respect to such Year. If (i) a Workgroup failed to ratify or implement the requested reductions by the target date set by the Company and (ii) such Workgroup is subsequently added to Schedule A but their Individual Workgroup Reductions will not be effective for the full Year, then Total Participant Wages for such Year will be calculated to reflect any adjustments made pursuant to the definition of Individual Workgroup Wages.

"Total Reductions" means the annual dollar value of all wage and benefit reductions and workrule enhancements implemented by the Company with respect to all Workgroups in connection with the Reduction Program, excluding reductions applicable to Excluded Persons, with such annual value calculated based on the targeted reductions within the Reduction Program. If a Workgroup is added to Schedule A after the Effective Date, Total Reductions shall include the targeted reductions for such added Workgroup.

"Workgroup" means individual labor work groups within the Company as set forth on Schedule A hereto, and with respect to a particular Participant shall mean the Workgroup that such Participant is principally associated with as of the end of a particular Year (or, if earlier, upon the Participant's death or Retirement).

Schedule A shall automatically be amended from time to time, without the necessity of any action by the Committee or the Board, to reflect the addition of a Workgroup, or the elimination of a Workgroup, as certified to the Committee by the Chief Executive Officer, the President or the Chief Financial Officer of the Company.

For purposes of any calculation pursuant to this Exhibit A, the Individual Workgroup Reductions applicable to any new Workgroup (that is, a Workgroup that was not a labor work group within the Company as of the Effective Date) added to Schedule A shall be zero. The Individual Workgroup Reductions for a Workgroup that did not participate in the Reduction Program as of the Effective Date but which is subsequently added to Schedule A shall be included for purposes of all calculations described and in the manner provided in this Exhibit A.

In addition, the Individual Workgroup Reductions applicable to any Workgroup eliminated from Schedule A shall be deducted from the calculation of Total Reductions for all Years in which such Workgroup is eliminated.

**Schedule A- Workgroups**

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Workgroup	Reductions
Pilots	\$213,299,827
Flight Instructors	\$8,920,547
Technicians (CO)	\$20,097,016
Management / Clerical (CO)	\$26,419,720
Field Service Agents (onshore)	\$98,794,712
Reservation Agents (onshore)	\$18,883,546
Chelsea Agents	\$2,605,201
Material Services	\$970,710
Dispatchers	\$735,807
Simulator Engineers	\$330,835
	\$391,057,922



# News Release

**Contact:** Corporate Communications

**Houston:** 713.324.5080

**Email:** corpcomm@coair.com

**News archive:** [continental.com/company/news/](http://continental.com/company/news/) **Address:** P.O. Box 4607, Houston, TX 77210-4607

## CONTINENTAL AIRLINES ANNOUNCES FIRST QUARTER NET LOSS

*Continued weak domestic yields and historically high fuel costs result in loss*

HOUSTON, Apr. 20, 2005 -- Continental Airlines (NYSE: CAL) today reported a first quarter 2005 net loss of \$184 million (\$2.77 diluted loss per share), including a net special gain of \$8 million related to the company's defined benefit pension plan. Excluding the special items, Continental recorded a net loss of \$192 million (\$2.89 diluted loss per share) for the quarter, which compares favorably to the First Call mean estimate of \$3.10 loss per share.

Extraordinarily high fuel prices and weak domestic yields continue to adversely impact results despite cost reduction efforts and recent fare increases in some domestic markets. Mainline fuel costs for the quarter increased \$137 million over the first quarter of 2004, primarily due to a 39.5-percent increase in fuel prices compared to the same period last year. The price of West Texas Intermediate crude oil continued to trade at record levels during the quarter, closing at a peak of \$56.72 per barrel on March 18, 2005.

During the quarter, Continental's pilots, mechanics, dispatchers and simulator engineers ratified new collective bargaining agreements with the carrier. Changes to wages, work rules and benefits were also finalized with U.S.-based management and clerical, reservations, food services, airport, cargo, and customer service and certain international employees. Continental expects to achieve approximately \$418 million of savings on an annual basis from these pay and benefit cuts and work rule changes when they are fully implemented. The company continues to work with the flight attendants, the only domestic group that did not ratify their agreement, along with Continental Micronesia employees and the remaining international work groups, to reach agreements on pay and benefit reductions.

As a result of the ratifications, Continental issued to all domestic employees, other than flight attendants and officers, stock options for approximately 8.7 million shares of Continental's common stock with an exercise price of \$11.89 per share. These options represent approximately 13 percent of the currently outstanding shares of common stock.

"While we lost money in the first quarter, I appreciate the commitment shown by my co-workers who took painful yet necessary action to quickly ratify new agreements," said Chairman and Chief Executive Officer Larry Kellner. "Even though we still have more work to do, we have made significant progress to move our company closer to profitability."

### **First Quarter Revenue and Capacity**

Passenger revenue for the quarter was \$2.3 billion, 8.0 percent higher than the same period in 2004, due to increased capacity and fares on international flights and more regional flying. Consolidated revenue passenger miles (RPMs) for the quarter increased 11.4 percent year-over-year on a capacity increase of 4.0 percent, which produced a record consolidated load factor for the quarter of 76.8 percent, up 5.1 points over the same period in 2004. Consolidated yield declined 3.1 percent year-over-year. Consolidated passenger revenue per available seat mile (RASM) for the quarter increased 3.8 percent year-over-year due to record high load factors, partly as a result of Easter falling in March this year versus April last year.

Mainline RPMs in the first quarter of 2005 increased 9.8 percent over the first quarter 2004 on a capacity increase of 2.8 percent. As a result, mainline load factor was up 4.9 points year-over-year to 77.5 percent. Continental's mainline yields during the quarter declined 2.4 percent year-over-year, as the company was forced to match Delta's domestic pricing structure.

During the quarter, Continental continued to achieve domestic length-of-haul adjusted yield and passenger RASM premiums to the industry. International RASM for the quarter improved in all geographic regions compared to the first quarter of 2004. Passenger revenue for the first quarter 2005 and period to period comparisons of related statistics by geographic region for the company's mainline and regional operations are as follows:

Passenger First Quarter 2005 vs. First Quarter 2004

## Revenue Passenger

(in millions) Revenue RASM ASMs

Domestic \$ 1,098 0.1% 3.5% (3.3)%

Transatlantic 310 28.6% 9.1% 17.8%

Latin America 288 12.1% 6.3% 5.4%

Pacific 177 17.0% 4.7% 11.7%

Total Mainline \$ 1,873 7.2% 4.3% 2.8%

Regional \$ 393 11.6% (2.3)% 14.2%

Consolidated \$ 2,266 8.0% 3.8% 4.0%

**Operational Accomplishments**

Despite record high load factors and severe winter weather, Continental had relatively few flight cancellations and maintained a systemwide mainline completion factor of 99.4 percent for the quarter. The company recorded a U.S. Department of Transportation (DOT) on-time arrival rate of 75.8 percent.

"Our solid operational performance and superior product continue to help us earn a unit revenue premium," said President Jeff Smisek. "We are working to ensure that Continental is one of the survivors as our industry restructures."

During the quarter, Continental received approval from the DOT to initiate service to Beijing in the People's Republic of China from its hub at New York/Newark Liberty International Airport. With service beginning June 15, 2005, subject to government approval, Continental will be the only U.S. flag carrier linking the People's Republic of China with New York, one of the largest markets between the United States and China. In April, Continental also formally submitted an application to the DOT for approval to operate nonstop flights from Liberty to Shanghai, China.

Also in April, Continental announced daily nonstop flights between Liberty and New Delhi, India. Service to New Delhi will begin Nov. 1, 2005, subject to government approval.

The airline began codesharing with Air France in the quarter, allowing Continental customers to more easily access 12 additional destinations in Europe and the Middle East on flights operated by Air France from Charles de Gaulle airport in Paris.

In January, international travelers on Continental began arriving at a new international arrivals building at the airline's Houston hub at Bush Intercontinental Airport. The building features the largest and most modern federal inspection facility in the U.S.

Continental Airlines was again rated the most admired airline among *FORTUNE* magazine's annual list of Most Admired Global Companies. The carrier also ranked No. 1 in several key categories on *FORTUNE*'s America's Most Admired Companies airline industry list, including quality of products and services, quality of management, innovation and social responsibility. Overall, for the sixth consecutive year, Continental was the most admired international airline on that list. In addition, the airline again made *FORTUNE*'s Global Most Admired "Top 50" list, which ranks companies in a wide variety of industries. Continental was the only U.S. passenger carrier on the "Top 50" list.

**First Quarter Financial Results**

Continental's mainline cost per available seat mile (CASM) increased 6.1 percent in the first quarter compared to the same period last year, primarily due to record high fuel prices. CASM increased 0.4 percent excluding special items and holding fuel rate constant.

"The Continental team continued to keep its focus on controlling the costs that we have the ability to reduce," said Executive Vice President and Chief Financial Officer Jeff Misner. "While we're not done, we appreciate our co-workers' efforts as well as their personal sacrifice and look forward to getting all our cost savings initiatives implemented."

The airline industry continues to suffer from the relentless burden of excessive fees and non-income related taxes. In the first quarter of 2005, Continental incurred \$265 million in fees and non-income related taxes charged on passenger tickets by various governmental entities, up 9.5 percent year-over-year.

In connection with the pay and benefit reductions, the company's previously announced enhanced profit-sharing program became effective for all employees participating in the reductions, except director level employees and officers. The program creates a much larger profit-sharing pool for employees than the old profit-sharing plan and is the best in the industry.

With the unions' decision to implement their ratified agreements, Continental was able to confirm its previously announced Boeing order. The company expects to take delivery of eight leased 757-300s starting this summer and has accelerated the delivery of six Boeing 737-800s into 2006. Beginning in 2009, Continental plans to acquire the first of 10 Boeing 787 aircraft. The company retired its remaining two MD-80 aircraft in January.

Continental continues to improve the fuel efficiency of its fleet, having completed the installation of winglets on 35 737-800s to date. Winglets produce up to a 5-percent reduction in fuel burn and provide additional range.

During the quarter, Continental recorded a net special gain of \$8 million related to the company's defined benefit pension plan, consisting of a \$51 million gain from the contribution of ExpressJet stock to Continental's defined benefit pension plan and a curtailment charge of \$43 million related to the freezing of the portion of the company's defined benefit pension plan attributable to pilots.

Continental ended the first quarter with approximately \$1.38 billion in unrestricted cash and short-term investments.

### Corporate Background

Continental Airlines is the world's sixth-largest airline. Continental, together with Continental Express and Continental Connection, has more than 3,000 daily departures throughout the Americas, Europe and Asia, serving 150 domestic and 130 international destinations, more than any other carrier in the world. Nearly 400 additional points are served via SkyTeam alliance airlines, which include Aeromexico, Air France/KLM, Alitalia, CSA Czech Airlines, Delta Air Lines, Korean Air and Northwest Airlines. With 41,000 employees, Continental has hubs serving New York, Houston, Cleveland and Guam, and together with Continental Express, carries approximately 56 million passengers per year. Continental consistently earns awards and critical acclaim for both its operation and its corporate culture.

For the second consecutive year, *FORTUNE* magazine named Continental the No. 1 Most Admired Global Airline on its 2005 list of Most Admired Global Companies. Continental was also included in the publication's annual "Top 50" list, which ranks all companies, across a wide variety of industries, that appear in the Global Most Admired Companies issue. Continental won major awards at the 2004 OAG Airline of the Year Awards including "Airline of the Year," "Best Airline Based in North America" and "Best Executive/Business Class."

Continental Airlines will conduct a regular quarterly telephone briefing today to discuss these results and the company's financial and operating outlook with the financial community and news media at 9:30 a.m. CT/10:30 a.m. ET. To listen to a live broadcast of this briefing, go to [continental.com/company](http://continental.com/company).

This press release contains forward-looking statements that are not limited to historical facts, but reflect the company's current beliefs, expectations or intentions regarding future events. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. For examples of such risks and uncertainties, please see the risk factors set forth in the company's 2004 10-K and its other securities filings, which identify important matters such as the consequences of its significant financial losses and high leverage, terrorist attacks, domestic and international economic conditions, the significant cost of aircraft fuel, labor costs, competition, and industry conditions, including the demand for air travel, the airline pricing environment and industry capacity decisions, regulatory matters and the seasonal nature of the airline business. In addition to the foregoing risks, there can be no assurance that the company will be able to obtain the needed pay and benefit reductions from its flight attendants or that the ratified agreements and the pay and benefit reductions and work rule changes from other work groups will enable the company to achieve the cost reductions expected, which will depend, upon other matters, on timely and effective implementation of new work rules, actual productivity improvement, employee attrition, technology implementation, our level of business activity, relations with employees generally and the ultimate accuracy of certain assumptions on which our cost savings are based. The company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this press release.

-tables attached-

## CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

### FINANCIAL SUMMARY

(In millions, except per share data)

(Unaudited)

	Three Months		%
	Ended March 31,		Increase/
	<u>2005</u>	<u>2004</u>	<u>(Decrease)</u>
Operating Revenue:			
Passenger (excluding fees and taxes of \$265 and \$242) (a)	\$2,266	\$2,099	8.0 %
Cargo, mail and other	<u>239</u>	<u>208</u>	14.9 %

	<u>2,505</u>	<u>2,307</u>	8.6 %
Operating Expenses:			
Wages, salaries and related costs	715	688	3.9 %
Aircraft fuel and related taxes	470	333	41.1 %
ExpressJet capacity purchase, net	353	317	11.4 %
Aircraft rentals	227	220	3.2 %
Landing fees and other rentals	170	158	7.6 %
Distribution costs	138	137	0.7 %
Maintenance, materials and repairs	112	112	-
Depreciation and amortization	98	104	(5.8)%
Passenger services	77	69	11.6 %
Special charges (b)	43	55	NM
Other	<u>273</u>	<u>249</u>	9.6 %
	<u>2,676</u>	<u>2,442</u>	9.6 %
Operating Loss	<u>(171)</u>	<u>(135)</u>	26.7 %
Nonoperating Income (Expense):			
Interest expense	(98)	(97)	1.0 %
Interest capitalized	3	4	(25.0)%
Interest income	11	6	83.3 %
Income from affiliates	20	25	(20.0)%
Gain on disposition of ExpressJet Holdings shares	51	-	NM
Other, net	<u>-</u>	<u>4</u>	NM
	<u>(13)</u>	<u>(58)</u>	(77.6)%
Loss before Income Taxes	(184)	(193)	(4.7)%
Income Tax Benefit	<u>-</u>	<u>69</u>	NM
Net Loss	<u>\$ (184)</u>	<u>\$ (124)</u>	48.4 %
Loss per Share:			
Basic	<u>\$ (2.76)</u>	<u>\$ (1.88)</u>	46.8 %
Diluted	<u>\$ (2.77)</u>	<u>\$ (1.90)</u>	45.8 %
Shares used for Basic and Diluted Computation	<u>66.5</u>	<u>65.9</u>	0.9 %

- a. The fees and taxes are primarily U.S. federal transportation taxes, federal security charges, airport passenger facility charges and foreign departure taxes.
- b. During the first quarter of 2005 the Company recorded a curtailment charge of \$43 million related to the freezing of the portion of our defined benefit pension plan attributable to pilots. The Company recorded \$55 million of special charges during the first quarter 2004 primarily related to the termination of a services agreement and the permanent grounding of the MD-80 aircraft.



**CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES****STATISTICS**

	Three Months		%
	Ended March 31,		Increase/
	<u>2005</u>	<u>2004</u>	<u>(Decrease)</u>
<b>Mainline Statistics:</b>			
Passengers (thousands) (a)	10,598	9,917	6.9 %
Revenue passenger miles (millions)	16,159	14,713	9.8 %
Available seat miles (millions)	20,845	20,270	2.8 %
Cargo ton miles (millions)	260	250	4.0 %
Passenger load factor:			
Mainline	77.5%	72.6%	4.9 pts.
Domestic	78.6%	71.8%	6.8 pts.
International	76.2%	73.7%	2.5 pts.
Passenger revenue per available seat mile (cents) (b)	8.98	8.61	4.3 %
Total revenue per available seat mile (cents)	10.18	9.64	5.6 %
Average yield per revenue passenger mile (cents)	11.59	11.87	(2.4)%
Cost per available seat mile (cents) (b)(c)	10.56	9.95	6.1 %
Special charges per available seat mile (cents)	0.20	0.27	NM
Cost per available seat mile, holding fuel rate constant (cents) (c)	9.92	9.95	(0.3)%
Average price per gallon of fuel, including fuel taxes (cents)	145.30	104.13	39.5 %
Fuel gallons consumed (millions)	324	320	1.3 %
Actual aircraft in fleet at end of period	348	357	(2.5)%
Average length of aircraft flight (miles)	1,350	1,297	4.1 %
Average daily utilization of each aircraft (hours)	10:09	9:35	5.8 %
<b>Regional Operations:</b>			
Passengers (thousands) (a)	3,524	2,893	21.8 %
Revenue passenger miles (millions)	1,953	1,542	26.7 %
Available seat miles (millions)	2,740	2,400	14.2 %

Passenger load factor	71.3%	64.2%	7.1 pts.
Passenger revenue per available seat mile (cents)	14.37	14.71	(2.3)%
Average yield per revenue passenger mile (cents)	20.17	22.90	(11.9)%
Actual aircraft in fleet at end of period	250	229	9.2 %

**Consolidated Statistics (Mainline and Regional):**

Passengers (thousands) (a)	14,122	12,810	10.2 %
Revenue passenger miles (millions)	18,112	16,255	11.4 %
Available seat miles (millions)	23,585	22,670	4.0 %
Passenger load factor	76.8%	71.7%	5.1 pts.
Passenger revenue per available seat mile (cents) (b)	9.61	9.26	3.8 %
Average yield per revenue passenger mile (cents)	12.51	12.91	(3.1)%
Breakeven passenger load factor (d)	84.4%	79.9%	4.5 pts.

a. Revenue passengers measured by each flight segment flown.

b. See attached "Reclassification Summary."

c. Includes impact of special items.

d. The percentage of seats that must be occupied by revenue passengers for us to break even on a net income basis. After-tax special charges in both periods and a gain on the disposition of Holdings shares in the first quarter of 2005 increased (decreased) the consolidated breakeven passenger load factor (0.3) and 2.3 percentage points in the three months ended March 31, 2005 and 2004, respectively.

**CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES**

**NON-GAAP FINANCIAL MEASURES**

Loss per Share	Three Months Ended Ended March 31, 2005			
Diluted loss per share	\$(2.77)			
Adjustments for special items	(0.12)			
Diluted loss per share, excluding special items (a)	\$(2.89)			
Net Loss (in millions)	Three Months Ended Ended March 31, 2005			
Net loss	\$(184)			
Adjustments for special items	—(8)			

Net loss excluding special items (a)	\$ <u>(192)</u>					
	Three Months Ended March 31,			% Increase/		
<b>CASM Mainline Operations (cents)</b>	<u>2005</u>	<u>2004</u>	<u>(Decrease)</u>			
Cost per available seat mile (CASM)	10.56	9.95	6.1 %			
Less: Current year fuel cost per available seat mile (b)	(2.25)	-	NM			
Add: Current year fuel cost at prior year fuel price per available seat mile (b)	<u>1.61</u>	<u>-</u>	NM			
CASM holding fuel rate constant (a)	9.92	9.95	(0.3)%			
Adjustments for special items	<u>(0.20)</u>	<u>(0.27)</u>	NM			
CASM holding fuel rate constant and excluding special items (a)	<u>9.72</u>	<u>9.68</u>	0.4 %			

- a. These financial measures provide management and investors the ability to measure and monitor Continental's performance on a consistent basis.  
b. Both the cost and availability of fuel are subject to many economic and political factors and are therefore beyond our control.

## CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

### Reclassification Summary

Certain reclassifications have been made in the prior period's financial statements to conform to the current year presentation. The reclassifications relate to how we classify revenue and expenses associated with the sale of frequent flyer mileage credits and the reporting of the sale and redemption of frequent flyer miles and tickets with our alliance partners. These reclassifications did not affect the prior period's operating loss or net loss.

We sell mileage credits in our frequent flyer program to participating partners, such as credit card companies, phone companies, hotels and car rental agencies. Revenue from the sale of mileage credits is deferred and recognized as passenger revenue over the period when transportation is expected to be provided, based on estimates of the value of the transportation. Previously, amounts received in excess of the value of the transportation to be provided ("FF Marketing Revenue") were classified as an offset to other operating expense. We now record FF Marketing Revenue as other revenue.

In addition, we have reclassified the reporting of the sale and redemption of frequent flyer miles and tickets with our alliance partners. Our frequent flyer agreements with our alliance partners allow members of our frequent flyer program to earn mileage credits and redeem awards on our alliance partners ("FF Alliance Expense"). These agreements also permit our alliance partners' frequent flyer program members the right to earn mileage credits and redeem awards on Continental ("FF Alliance Revenue"). Previously, we accounted for these partner activities within other revenue. We now classify FF Alliance Revenue as passenger revenue and the FF Alliance Expense as other operating expense.

The following tables illustrate the impact of the reclassifications (millions except as noted):

	<u>Three Months Ended March 31,</u>	
	<u>2005</u>	<u>2004</u>
<b>Passenger Revenue</b>		
Passenger Revenue, as reported	\$2,266	\$2,099
FF Alliance Revenue	__(14)	__(12)
Passenger Revenue, historical presentation	<u>\$2,252</u>	<u>\$2,087</u>
<b>Cargo, Mail and Other Revenue</b>		
Cargo, Mail and Other Revenue, as reported	\$ 239	\$ 208
Adjustments:		
FF Alliance Revenue	14	12
FF Alliance Expense	(17)	(13)
FF Marketing Revenue	__(42)	__(25)
Cargo, Mail and Other Revenue, historical presentation	<u>\$ 194</u>	<u>\$ 182</u>
<b>Other Operating Expenses</b>		
Other Operating Expenses, as reported	\$ 273	\$ 249
Adjustments:		
FF Alliance Expense	(17)	(13)
FF Marketing Revenue	__(42)	__(25)
Other Operating Expenses, historical presentation	<u>\$ 214</u>	<u>\$ 211</u>

## CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

	<u>2005</u>	<u>2004</u>
<b>Passenger Revenue per ASM (RASM) (cents)</b>		
Consolidated RASM, as reported	9.61	9.26
FF Alliance Revenue	<u>(0.06)</u>	<u>(0.05)</u>
Consolidated RASM, historical presentation	<u>9.55</u>	<u>9.21</u>
<b>Operating Expenses</b>		
Mainline Operating Expenses, as reported	\$2,201	\$2,017
Special Items	(43)	(55)
Adjustments:		
FF Alliance Expense	(17)	(13)
FF Marketing Revenue	<u>_(42)</u>	<u>_(25)</u>
Mainline Operating Expenses, historical presentation excluding special items	<u>\$2,099</u>	<u>\$1,924</u>
Consolidated Operating Expenses, as reported	\$2,676	\$2,442
Special Items	(43)	(55)
Adjustments:		
FF Alliance Expense	(17)	(13)
FF Marketing Revenue	<u>_(42)</u>	<u>_(25)</u>
Consolidated Operating Expenses, historical presentation excluding special items	<u>\$2,574</u>	<u>\$2,349</u>
<b>Costs per ASM (CASM) (cents)</b>		
Mainline CASM, as reported	10.56	9.95
Special Items	(0.20)	(0.27)
Adjustments:		
FF Alliance Expense	(0.09)	(0.07)
FF Marketing Revenue	<u>(0.20)</u>	<u>(0.12)</u>
Mainline CASM, historical presentation excluding special items	<u>10.07</u>	<u>9.49</u>
Consolidated CASM, as reported	11.35	10.77
Special Items	(0.18)	(0.24)
Adjustments:		
FF Alliance Expense	(0.07)	(0.06)
FF Marketing Revenue	<u>(0.19)</u>	<u>(0.11)</u>
Consolidated CASM, historical presentation excluding special items	<u>10.91</u>	<u>10.36</u>

