

**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): July 26, 2012

**UNITED CONTINENTAL HOLDINGS, INC.  
UNITED AIR LINES, INC.  
CONTINENTAL AIRLINES, INC.**

(Exact name of registrant as specified in its charter)

Delaware  
Delaware  
Delaware  
(State or other jurisdiction  
of incorporation)

001-06033  
001-11355  
001-10323  
(Commission  
File Number)

36-2675207  
36-2675206  
74-2099724  
(IRS Employer  
Identification Number)

77 W. Wacker Drive, Chicago, IL  
77 W. Wacker Drive, Chicago, IL  
1600 Smith Street, Dept. HQSEO, Houston, Texas  
(Address of principal executive offices)

60601  
60601  
77002  
(Zip Code)

(312) 997-8000  
(312) 997-8000  
(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:

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

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**Item 2.02 Results of Operations and Financial Condition.**

On July 26, 2012, United Continental Holdings, Inc. ("UAL"), the holding company whose primary subsidiaries are United Air Lines, Inc. ("United") and Continental Airlines, Inc. ("Continental", and together with UAL and United, the "Company"), issued a press release announcing the financial results of the Company for second quarter 2012. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 7.01 Regulation FD Disclosure.**

On July 26, 2012, UAL will provide an investor update related to the financial and operational outlook for the Company for third quarter and full year 2012. A copy of the investor update is attached as Exhibit 99.2 and is incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.2, is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Press Release issued by United Continental Holdings, Inc. dated July 26, 2012
99.2*	United Continental Holdings, Inc. Investor Update dated July 26, 2012

\* Furnished herewith electronically.

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**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 hereunto duly authorized.

**UNITED CONTINENTAL HOLDINGS, INC.**  
**UNITED AIR LINES, INC.**  
**CONTINENTAL AIRLINES, INC.**

By: /s/ Chris Kenny  
Name: Chris Kenny  
Title: Vice President and Controller

Date: July 26, 2012

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**EXHIBIT INDEX**

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\*      Furnished herewith electronically.

## News Release

United Continental Holdings, Inc.  
Worldwide Media Relations  
312.997.8640  
media.relations@united.com



### UNITED ANNOUNCES SECOND-QUARTER 2012 PROFIT

*UAL REPORTS \$545 MILLION SECOND-QUARTER 2012 PROFIT EXCLUDING SPECIAL CHARGES; \$339 MILLION PROFIT INCLUDING SPECIAL CHARGES*

**CHICAGO, July 26, 2012** – United Continental Holdings, Inc. (NYSE: UAL) today reported second-quarter 2012 net income of \$545 million or \$1.41 per diluted share, excluding \$206 million of net special charges. Including special charges, UAL reported second-quarter 2012 net income of \$339 million or \$0.89 per diluted share.

- UAL second-quarter consolidated passenger revenue increased 2.3 percent year-over-year. Second-quarter consolidated passenger revenue per available seat mile (PRASM) increased 3.0 percent compared to the same period in 2011.
- Second-quarter consolidated fuel expense increased 5.6 percent, or \$181 million, year-over-year.
- Consolidated unit costs (CASM) holding fuel rate and profit sharing constant and excluding special charges and third-party business expense for second-quarter 2012 increased 2.1 percent year-over-year. Second-quarter consolidated CASM increased 4.6 percent year-over-year.
- UAL ended the second quarter with \$8.2 billion in unrestricted liquidity.
- UAL accrued \$54 million for profit sharing, based on year-to-date profitability.

“I want to thank my co-workers for all they did to help us earn a profit this quarter,” said Jeff Smisek, UAL’s president and chief executive officer. “While we still have work to do, we are making the right investments in our future, and we look forward to delivering the benefits of those investments to our customers around the globe.”

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A STAR ALLIANCE MEMBER The Star Alliance logo is a stylized, multi-pointed star shape composed of several smaller, overlapping star-like elements.

### Second-Quarter Revenue and Capacity

For the second quarter of 2012, total revenue was \$9.9 billion, an increase of 2.4 percent year-over-year excluding special items. Including special items in 2011, second-quarter total revenue increased 1.3 percent year-over-year. Second-quarter consolidated passenger revenue rose 2.3 percent to \$8.8 billion, compared to the same period in 2011.

Consolidated revenue passenger miles (RPMs) increased 0.5 percent on a consolidated capacity (available seat miles) decrease of 0.6 percent year-over-year for the second quarter, resulting in a second-quarter consolidated load factor of 84.3 percent.

Consolidated yield for the second quarter of 2012 increased 1.8 percent year-over-year. Second-quarter 2012 consolidated PRASM increased 3.0 percent compared to the same period in 2011.

Mainline RPMs in the second quarter of 2012 increased 0.5 percent on a mainline capacity decrease of 0.2 percent year-over-year, resulting in a second-quarter mainline load factor of 84.7 percent. Mainline yield for the second quarter of 2012 increased 1.0 percent compared to the same period in 2011. Second-quarter 2012 mainline PRASM increased 1.8 percent year-over-year.

“We continued redeploying domestic aircraft in the second quarter and are pleased with the early financial results on those routes,” said Jim Compton, UAL’s executive vice president and chief revenue officer. “Our extensive fleet and industry-leading global network enable us to reallocate aircraft to provide customers with more options.”

Passenger revenue for the second quarter of 2012 and period-to-period comparisons of related statistics for UAL’s mainline and regional operations are as follows:

	2Q 2012 Passenger Revenue (millions)	Passenger Revenue vs. 2Q 2011	PRASM vs. 2Q 2011	Yield vs. 2Q 2011	ASMs vs. 2Q 2011
<b>Domestic</b>	<b>\$ 3,441</b>	0.6%	1.1%	1.3%	(0.5%)
Atlantic	1,589	(1.9%)	2.3%	1.1%	(4.1%)
Pacific	1,257	12.5%	6.6%	4.9%	5.6%
Latin America	657	(3.4%)	(3.4%)	(7.2%)	0.1%
<b>International</b>	<b>\$ 3,503</b>	2.6%	2.6%	0.7%	0.0%
<b>Mainline</b>	<b>\$ 6,944</b>	1.6%	1.8%	1.0%	(0.2%)
<b>Regional</b>	<b>1,824</b>	5.2%	8.5%	5.0%	(3.0%)
<b>Consolidated</b>	<b>\$ 8,768</b>	2.3%	3.0%	1.8%	(0.6%)

Cargo and other revenue in the second quarter of 2012 increased 3.4 percent, or \$39 million, year-over-year to \$1.2 billion.

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### **Second-Quarter Costs**

Total operating expenses, including special charges, increased \$363 million, or 4.0 percent, in the second quarter compared to the same period of 2011. Second-quarter 2012 operating expenses, excluding fuel, profit sharing, special charges and third-party business expense, increased \$158 million, or 2.9 percent, year-over-year.

Third-party business expense was \$60 million in the second quarter. Consolidated and mainline CASM, excluding special charges and third-party business expense, increased 4.1 percent and 4.5 percent, respectively, in the second quarter of 2012 compared to the same period of 2011. Second-quarter consolidated and mainline CASM, including special charges, increased 4.6 and 5.2 percent year-over-year, respectively.

In the second quarter, consolidated and mainline CASM, excluding special charges and third-party business expense and holding fuel rate and profit sharing constant, increased 2.1 percent and 1.7 percent, respectively, compared to the results for the same period of 2011.

“We had a solid quarter during which we strengthened our balance sheet, invested in our business, and generated a return in excess of our cost of capital,” said John Rainey, UAL’s executive vice president and chief financial officer.

### **Second-Quarter Liquidity and Cash Flow**

UAL ended the second quarter with \$8.2 billion in unrestricted liquidity, comprised of \$7.7 billion of cash, cash equivalents and short-term investments and \$500 million of undrawn commitments under a revolving credit facility. During the second quarter, the company generated \$959 million of operating cash flow and had gross capital expenditures of \$500 million. The company made debt and net capital lease payments of \$258 million including \$69 million of prepayments in the second quarter.

### **Second-Quarter 2012 Events**

- United recorded a U.S. Department of Transportation domestic on-time arrival rate of 76.4 percent and a system completion factor of 99.1 percent for the quarter. For international flights, United recorded an on-time arrival rate of 72.6 percent. The on-time arrival rates are based on flights arriving within 14 minutes of scheduled arrival time.
- The company accrued \$54 million for 2012 profit sharing based on year-to-date profitability. Co-workers earned cash incentive payments for on-time performance totaling \$4 million during the quarter.

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- United introduced its Outperform Recognition program, where MileagePlus customers, using United's mobile app, can recognize an employee for providing outstanding service. United employees who receive nominations are entered into a prize drawing for up to \$50,000 in cash. Any MileagePlus member who submits a nomination is entered into a drawing for prizes, such as MileagePlus award miles and round-trip tickets on United.
- The company reached a tentative agreement with flight attendants from the company's Continental subsidiary.
- During the quarter, United launched service to nine new markets, including routes from Washington/Dulles to Honolulu, Dublin and Manchester, England, as well as from New York/Newark to Buenos Aires, Argentina. The company also announced service to eight new markets during the quarter, including Denver's first service to Asia with non-stop service to Tokyo, beginning in 2013.
- United introduced the first of 14 newly reconfigured two-cabin Boeing 767-300 aircraft, converting the fleet from domestic to international configuration. The aircraft now offers United BusinessFirst and an upgraded Economy cabin.
- United Economy Plus seating is now on 86 percent of United's entire mainline fleet, and the company continues to install flat-bed seats in premium cabins on its international fleet. Nearly 150 aircraft have new flat-bed seats, more than any other U.S. carrier.
- The company introduced enhanced, gourmet entree options and harmonized meal service on its long-haul international flights for customers traveling in United Global First and United BusinessFirst.
- According to the 3rd annual Switchfly Reward Seat Availability Survey presented by IdeaWorks Company, United recently earned recognition as the carrier with the most award seat availability among U.S. global airlines.
- United opened its new Network Operations Center with leading technology, tools and comfort for co-workers who manage this 24/7 global operation.
- United is the official airline of Team USA, flying U.S. Olympic and Paralympic athletes to and from training, competitions, trials and the Olympic Games for the past 32 years.

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### About United

United Airlines and United Express operate an average of 5,574 flights a day to 377 airports on six continents from our hubs in Chicago, Cleveland, Denver, Guam, Houston, Los Angeles, New York/Newark, San Francisco, Tokyo and Washington, D.C. In 2011, United carried more traffic than any other airline in the world, and operated more than two million flights carrying 142 million passengers. United is upgrading its cabins with more flat-bed seats in first and business class and more extra-legroom economy-class seating than any other airline in North America. United operates nearly 700 mainline aircraft and has orders for more than 270 new aircraft deliveries through 2022, including 50 Boeing 787 Dreamliners, 25 Airbus A350XWBs, and 100 Boeing 737 MAX 9 aircraft. United was rated the world's most admired airline on FORTUNE magazine's 2012 airline-industry list of the World's Most Admired Companies. Readers of Global Traveler magazine have voted United's MileagePlus program the best frequent flyer program for eight consecutive years. United is a founding member of Star Alliance, which provides service to 193 countries via 27 member airlines. More than 85,000 United employees reside in every U.S. state and in countries around the world. For more information, visit [united.com](http://united.com) or follow United on [Twitter](#) and [Facebook](#). The common stock of United's parent, United Continental Holdings, Inc., is traded on the NYSE under the symbol UAL.

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995** Certain statements included in this release are forward-looking and thus reflect our current expectations and beliefs with respect to certain current and future events and financial performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to our operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as "expects," "will," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "outlook" and similar expressions are intended to identify forward-looking statements. Additionally, forward-looking statements include statements which do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this release are based upon information available to us on the date of this release. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law. Our actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: our ability to comply with the terms of our various financing arrangements; the costs and availability of financing; our ability to maintain adequate liquidity; our ability to execute our operational plans; our ability to control our costs, including realizing benefits from our resource optimization efforts, cost reduction initiatives and fleet replacement programs; our ability to utilize our net operating losses; our ability to attract and retain customers; demand for transportation in the markets in which we operate; an outbreak of a disease that affects travel demand or travel behavior; demand for travel and the impact that global economic conditions have on customer travel patterns; excessive taxation and the inability to offset future

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taxable income; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aviation fuel and energy refining capacity in relevant markets); our ability to cost-effectively hedge against increases in the price of aviation fuel; any potential realized or unrealized gains or losses related to fuel or currency hedging programs; the effects of any hostilities, act of war or terrorist attack; the ability of other air carriers with whom we have alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; the costs and availability of aviation and other insurance; the costs associated with security measures and practices; industry consolidation or changes in airline alliances; competitive pressures on pricing and on demand; our capacity decisions and the capacity decisions of our competitors; U.S. or foreign governmental legislation, regulation and other actions (including open skies agreements and environmental regulations); labor costs; our ability to maintain satisfactory labor relations and the results of the collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; weather conditions; the possibility that expected merger synergies will not be realized or will not be realized within the expected time period; and other risks and uncertainties set forth under Item 1A., Risk Factors of our Annual Report on Form 10-K, as well as other risks and uncertainties set forth from time to time in the reports we file with the SEC. Consequently, forward-looking statements should not be regarded as representations or warranties by us that such matters will be realized.

-tables attached-

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**UNITED CONTINENTAL HOLDINGS, INC.**  
**STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)**  
**THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011**

(In millions, except per share data)	Three Months Ended June 30,		%	Six Months Ended June 30,		%
	2012	2011		Increase/ (Decrease)	2012	
<b>Operating Revenue:</b>						
Passenger:						
Mainline	\$6,944	\$6,836	1.6	\$12,898	\$12,543	2.8
Regional	<u>1,824</u>	<u>1,734</u>	5.2	<u>3,378</u>	<u>3,144</u>	7.4
Total Passenger Revenue	8,768	8,570	2.3	16,276	15,687	3.8
Cargo	265	316	(16.1)	529	599	(11.7)
Special revenue item (C)	—	107	NM	—	107	NM
Other	<u>906</u>	<u>816</u>	11.0	<u>1,736</u>	<u>1,618</u>	7.3
Total Operating Revenue	<u>9,939</u>	<u>9,809</u>	1.3	<u>18,541</u>	<u>18,011</u>	2.9
<b>Operating Expenses:</b>						
Aircraft fuel (A)	3,408	3,227	5.6	6,637	5,899	12.5
Salaries and related costs	2,024	1,916	5.6	3,921	3,722	5.3
Regional capacity purchase (B)	643	615	4.6	1,259	1,188	6.0
Landing fees and other rent	503	502	0.2	972	975	(0.3)
Aircraft maintenance materials and outside repairs	432	444	(2.7)	839	883	(5.0)
Depreciation and amortization	378	385	(1.8)	758	773	(1.9)
Distribution expenses	345	375	(8.0)	682	725	(5.9)
Aircraft rent	251	252	(0.4)	502	505	(0.6)
Special charges (C)	206	146	NM	370	223	NM
Other operating expense	<u>1,174</u>	<u>1,139</u>	3.1	<u>2,297</u>	<u>2,276</u>	0.9
Total Operating Expenses	<u>9,364</u>	<u>9,001</u>	4.0	<u>18,237</u>	<u>17,169</u>	6.2
Operating Income	575	808	(28.8)	304	842	(63.9)
<b>Nonoperating Income (Expense):</b>						
Interest expense	(213)	(250)	(14.8)	(429)	(504)	(14.9)
Interest capitalized	9	8	12.5	17	14	21.4
Interest income	7	5	40.0	12	9	33.3
Miscellaneous, net	<u>(38)</u>	<u>(29)</u>	31.0	<u>(11)</u>	<u>(30)</u>	(63.3)
Total Nonoperating Expense	<u>(235)</u>	<u>(266)</u>	(11.7)	<u>(411)</u>	<u>(511)</u>	(19.6)
Income (loss) before income taxes	340	542	(37.3)	(107)	331	NM
Income tax expense (D)	<u>1</u>	<u>4</u>	(75.0)	<u>2</u>	<u>6</u>	(66.7)
Net Income (loss)	<u>\$ 339</u>	<u>\$ 538</u>	(37.0)	<u>\$ (109)</u>	<u>\$ 325</u>	NM
Earnings (loss) per share, basic	<u>\$ 1.02</u>	<u>\$ 1.63</u>	(37.4)	<u>\$ (0.33)</u>	<u>\$ 0.98</u>	NM
Earnings (loss) per share, diluted	<u>\$ 0.89</u>	<u>\$ 1.39</u>	(36.0)	<u>\$ (0.33)</u>	<u>\$ 0.88</u>	NM
Weighted average shares, basic	331	330	0.3	331	329	0.6
Weighted average shares, diluted	393	400	(1.8)	331	383	(13.6)

NM Not meaningful

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**UNITED CONTINENTAL HOLDINGS, INC.**  
**CONSOLIDATED NOTES (UNAUDITED)**

(A) UAL's results of operations include fuel expense for both mainline and regional operations.

(In millions, except per gallon)	Three Months Ended June 30,		% Increase/ (Decrease)	Six Months Ended June 30,		% Increase/ (Decrease)
	2012	2011		2012	2011	
Total mainline fuel expense	\$2,798	\$2,568	9.0	\$5,427	\$4,704	15.4
Regional fuel expense	610	659	(7.4)	1,210	1,195	1.3
Consolidated fuel expense	3,408	3,227	5.6	6,637	5,899	12.5
Exclude gain (loss) on fuel hedge settlements	(38)	278	NM	(69)	432	NM
Consolidated fuel expense excluding hedge impacts	<u>\$3,370</u>	<u>\$3,505</u>	(3.9)	<u>\$6,568</u>	<u>\$6,331</u>	3.7
Mainline fuel consumption (gallons)	849	853	(0.5)	1,639	1,638	0.1
Mainline average jet fuel price per gallon (cents)	329.6	301.1	9.5	331.1	287.2	15.3
Mainline average jet fuel price per gallon excluding fuel hedge impacts (cents)	325.1	333.6	(2.5)	326.9	313.6	4.2
Regional fuel consumption (gallons)	186	190	(2.1)	363	365	(0.5)
Regional average jet fuel price per gallon (cents)	328.0	346.8	(5.4)	333.3	327.4	1.8
Consolidated consumption (gallons)	1,035	1,043	(0.8)	2,002	2,003	—
Consolidated average jet fuel price per gallon (cents)	329.3	309.4	6.4	331.5	294.5	12.6
Consolidated average jet fuel price per gallon excluding fuel hedge impacts (cents)	325.6	336.0	(3.1)	328.1	316.1	3.8

(B) UAL has contractual relationships with various regional carriers to provide regional jet and turboprop service branded as United Express. Under these agreements, UAL pays the regional carriers contractually agreed fees for crew expenses, maintenance expenses and other costs of operating these flights. These costs include aircraft rent of \$169 million and \$342 million for the three months and six months ended June 30, 2012, respectively, of which \$117 million and \$52 million is included in regional capacity purchase expense and aircraft rentals, respectively, for the three months ended June 30, 2012 and \$238 million and \$104 million is included in regional capacity purchase expense and aircraft rentals, respectively, for the six months ended June 30, 2012 in our Statements of Consolidated Operations.

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**UNITED CONTINENTAL HOLDINGS, INC.**  
**CONSOLIDATED NOTES (UNAUDITED)**

(C) Special items include the following:

(In millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenue—Chase co-branded marketing agreement modification	\$ —	\$ 107	\$ —	\$ 107
Integration-related costs	137	145	271	224
Voluntary severance and benefits	76	—	125	—
(Gains) losses on sales of assets and other special charges, net	(7)	1	(26)	(1)
<b>Total special charges</b>	<b>206</b>	<b>146</b>	<b>370</b>	<b>223</b>
Total special items	206	39	370	116
Income tax benefit	—	—	(2)	—
Special items, net of tax	<u>\$ 206</u>	<u>\$ 39</u>	<u>\$ 368</u>	<u>\$ 116</u>

**2012—Special items**

**Integration-related costs:** Include compensation costs related to systems integration and training, costs to repaint aircraft and other branding activities, costs to write-off or accelerate depreciation on systems and facilities that are no longer used or planned to be used for significantly shorter periods, relocation costs for employees and severance primarily associated with administrative headcount reductions. In addition, on June 30, 2012 UAL became obligated under an indenture to issue to the Pension Benefit Guaranty Corporation, no later than Feb. 14, 2013, \$62.5 million aggregate principal amount of 8% Contingent Senior Unsecured Notes. UAL recorded a liability of approximately \$48 million for the fair value of that obligation. The company classified the liability as an integration-related cost since the financial results of UAL, excluding Continental's results, would not have resulted in a financial triggering event under the 8% Notes indenture.

**Voluntary severance and benefits:** In the first quarter of 2012, the company recorded \$49 million associated with two voluntary employee programs. In one program, approximately 400 mechanics offered to retire early in exchange for a cash severance payment that was based on the number of years of service the employee had accumulated. The other program is a voluntary company-offered leave of absence that approximately 1,800 flight attendants accepted, which allows for continued medical coverage during the leave of absence period. In the second quarter of 2012, the company recorded \$76 million associated with a voluntary severance program. Approximately 1,300 flight attendants volunteered to retire early in exchange for a cash severance payment that was based on the number of years of service each employee had accumulated.

**Gains on sales of assets and other special charges, net** In the first quarter of 2012, the company sold six aircraft and its interest in a crew hotel in Hawaii. The company also recorded an impairment charge on an intangible asset related to certain take-off and landing slots to reflect the discontinuance of one of the frequencies on an international route. The company also made adjustments to legal reserves. In the second quarter of 2012, the company sold three aircraft, realizing a net gain of \$7 million.

**2011—Special items**

**Special Revenue Item:** UAL, United, Continental and Mileage Plus Holdings, LLC, a wholly owned subsidiary of United, executed an Amended and Restated Co-Branded Card Marketing Services Agreement (the Co-Brand Agreement) with Chase Bank USA, N.A. (Chase) in June 2011, through which the company sells mileage credits to Chase and the company's loyalty program members accrue frequent flyer miles for making purchases using credit cards issued by Chase. The Co-Brand Agreement modifies and combines the previously existing co-branded agreements between Chase and each of United and Continental, respectively. As a result of the execution of the Co-Brand Agreement, revenues received as part of this agreement are subject to Accounting Standards Update 2009-13, "Multiple-Deliverable Revenue Arrangements – a consensus of the FASB Emerging Issues Task Force" (ASU 2009-13), adopted by the company on Jan. 1, 2011, which is applied to all contracts entered into or materially modified after the adoption date of the accounting standard. The application of the new accounting standard to the Co-Brand Agreement, which was determined to be a material modification of the previously existing co-branded agreements, decreases the value of the air transportation deliverables related to the agreement that the company records as deferred revenue (and ultimately Passenger Revenue when redeemed awards are flown) and increases the value of the marketing-related deliverables recorded in Other Revenue at the time these marketing-related deliverables are provided. The provisions of ASU 2009-13 require that existing deferred revenue be adjusted retroactively to reflect the value of the undelivered air transportation deliverables at the date of the contract modification. As a result, the company recorded a retroactive, one-time non-cash income adjustment to revenue of \$107 million in the second quarter of 2011.

**Integration-related costs:** Include costs to terminate certain service contracts that will not be used by the company, costs to write off system assets that are no longer used or planned to be used by the company, and payments to third-party consultants to assist with integration planning and organization design. Integration-related costs also include salary and severance related costs primarily associated with administrative headcount reductions and compensation costs related to the integration.

(D) No federal income tax expense was recognized related to our pretax income for the three months ended June 30, 2012 and the three and six months ended June 30, 2011 due to the utilization of book net operating loss carry forwards for which no benefit has previously been recognized. We are required to provide a valuation allowance for our deferred tax assets in excess of deferred tax liabilities because UAL concluded that it is more likely than not that such deferred tax assets will ultimately not be realized. As a result, pre-tax losses for the six months ended June 30, 2012 were not reduced by any tax benefits.

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**UNITED CONTINENTAL HOLDINGS, INC.**  
STATISTICS

	Three Months Ended June 30,		% Increase/ (Decrease)	Six Months Ended June 30,		% Increase/ (Decrease)
	2012	2011		2012	2011	
<b>Mainline:</b>						
Passengers (thousands)	24,825	25,107	(1.1)	46,734	47,527	(1.7)
Revenue passenger miles (millions)	47,719	47,485	0.5	88,910	88,751	0.2
Available seat miles (millions)	56,351	56,481	(0.2)	108,819	108,858	—
Cargo ton miles (millions)	631	683	(7.6)	1,262	1,369	(7.8)
Passenger load factor:						
Mainline	84.7%	84.1%	0.6 pts.	81.7%	81.5%	0.2 pts.
Domestic	86.5%	86.7%	(0.2) pts.	84.4%	84.1%	0.3 pts.
International	82.8%	81.4%	1.4 pts.	79.0%	78.9%	0.1 pts.
Passenger revenue per available seat mile (cents)	12.32	12.10	1.8	11.85	11.52	2.9
Average yield per revenue passenger mile (cents)	14.55	14.40	1.0	14.51	14.13	2.7
Average fare per passenger	\$279.72	\$272.27	2.7	\$ 275.99	\$ 263.91	4.6
Cost per available seat mile (CASM) (cents):						
CASM (a)	13.65	12.97	5.2	13.73	12.84	6.9
CASM, excluding special charges (b)	13.28	12.71	4.5	13.39	12.64	5.9
CASM, excluding special charges and third-party business expenses (b)	13.18	12.61	4.5	13.27	12.53	5.9
CASM, excluding special charges, third-party business expenses and fuel (b)	8.21	8.06	1.9	8.28	8.21	0.9
CASM, holding fuel rate and profit sharing constant, excluding special charges and third-party business expenses (b)	12.82	12.61	1.7	12.64	12.53	0.9
Average price per gallon of jet fuel (cents) (c)	329.6	301.1	9.5	331.1	287.2	15.3
Average price per gallon of jet fuel excluding fuel hedge impact (cents) (c)	325.1	333.6	(2.5)	326.9	313.6	4.2
Fuel gallons consumed (millions)	849	853	(0.5)	1,639	1,638	0.1
Aircraft in fleet at end of period	699	708	(1.3)	699	708	(1.3)
Average stage length (miles) (d)	1,899	1,820	4.3	1,884	1,806	4.3
Average daily utilization of each aircraft (hours)	11:03	10:58	0.8	10:41	10:44	(0.5)
<b>Regional:</b>						
Passengers (thousands)	12,246	11,893	3.0	22,864	22,062	3.6
Revenue passenger miles (millions)	6,772	6,760	0.2	12,688	12,458	1.8
Available seat miles (millions)	8,265	8,525	(3.0)	16,141	16,320	(1.1)
Passenger load factor	81.9%	79.3%	2.6 pts.	78.6%	76.3%	2.3 pts.
Passenger revenue per available seat mile (cents)	22.07	20.34	8.5	20.93	19.26	8.7
Average yield per revenue passenger mile (cents)	26.93	25.65	5.0	26.62	25.24	5.5
Aircraft in fleet at end of period	558	557	0.2	558	557	0.2
Average stage length (miles) (d)	534	561	(4.8)	538	557	(3.4)

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**UNITED CONTINENTAL HOLDINGS, INC.**  
STATISTICS (Continued)

	Three Months Ended June 30,		% Increase/ (Decrease)	Six Months Ended June 30,		% Increase/ (Decrease)
	2012	2011		2012	2011	
<b>Consolidated (Mainline and Regional):</b>						
Passengers (thousands)	37,071	37,000	0.2	69,598	69,589	—
Revenue passenger miles (millions)	54,491	54,245	0.5	101,598	101,209	0.4
Available seat miles (millions)	64,616	65,006	(0.6)	124,960	125,178	(0.2)
Passenger load factor	84.3%	83.4%	0.9 pts.	81.3%	80.9%	0.4 pts.
Passenger revenue per available seat mile (cents)	13.57	13.18	3.0	13.02	12.53	3.9
Total revenue per available seat miles (cents)	15.38	15.09	1.9	14.84	14.39	3.1
Average yield per revenue passenger mile (cents)	16.09	15.80	1.8	16.02	15.50	3.4
CASM (a)	14.49	13.85	4.6	14.59	13.72	6.3
CASM, excluding special charges (b)	14.17	13.62	4.0	14.30	13.54	5.6
CASM, excluding special charges and third-party business expenses (b)	14.08	13.53	4.1	14.20	13.44	5.7
CASM, excluding special charges, third-party business expenses and fuel (b)	8.81	8.57	2.8	8.89	8.73	1.8
CASM, holding fuel rate and profit sharing constant, excluding special charges and third-party business expenses (b)	13.82	13.53	2.1	13.63	13.44	1.4
Average price per gallon of jet fuel (cents) (c)	329.3	309.4	6.4	331.5	294.5	12.6
Average price per gallon of jet fuel excluding fuel hedge impacts (cents) (c)	325.6	336.0	(3.1)	328.1	316.1	3.8
Fuel gallons consumed (millions)	1,035	1,043	(0.8)	2,002	2,003	—
Average full-time equivalent employees (thousands)	84.5	81.1	4.2	84.1	81.7	2.9

(a) Includes impact of special charges (See Note C).

(b) These financial measures provide management and investors the ability to monitor the company's performance on a consistent basis.

(c) Fuel price per gallon includes aircraft fuel and related taxes.

(d) Average stage length equals the average distance a seat travels adjusted for size of aircraft (available seat miles/seats).

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**UNITED CONTINENTAL HOLDINGS, INC.**  
NON-GAAP FINANCIAL RECONCILIATION

UAL evaluates its financial performance utilizing various GAAP and non-GAAP financial measures including, net income/loss, net earnings/loss per share and CASM, among others. CASM is a common metric used in the airline industry to measure an airline's cost structure and efficiency. Pursuant to SEC Regulation G, UAL has included the following reconciliation of reported non-GAAP financial measures to comparable financial measures reported on a GAAP basis. UAL believes that excluding fuel costs from certain measures is useful to investors because it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence. UAL also believes that adjusting for special items is useful to investors because they are non-recurring items not indicative of UAL's on-going performance. UAL also believes that excluding third-party business expenses, such as maintenance, ground handling and catering services for third parties, fuel sales and non-air mileage redemptions, provides more meaningful disclosure because these expenses are not directly related UAL's core business.

(in millions)	Three Months Ended June 30,		\$ Increase/ (Decrease)	% Increase/ (Decrease)	Six Months Ended June 30,		\$ Increase/ (Decrease)	% Increase/ (Decrease)
	2012	2011			2012	2011		
Consolidated Operating Revenue	\$9,939	\$9,809	\$ 130	1.3	\$18,541	\$18,011	\$ 530	2.9
Less: Special revenue item (C)	—	107	(107)	NM	—	107	(107)	NM
Consolidated Operating Revenue, excluding special revenue item	\$9,939	\$9,702	\$ 237	2.4	\$18,541	\$17,904	\$ 637	3.6
Consolidated Operating Expenses	\$9,364	\$9,001	\$ 363	4.0	\$18,237	\$17,169	\$ 1,068	6.2
Less: Special charges (C)	206	146	60	NM	370	223	147	NM
Consolidated Operating Expenses, excluding special charges	9,158	8,855	303	3.4	17,867	16,946	921	5.4
Less: Third-party business expenses	60	60	—	—	125	118	7	5.9
Less: Consolidated fuel expense	3,408	3,227	181	5.6	6,637	5,899	738	12.5
Less: Profit sharing programs, including taxes	54	90	(36)	(40.0)	54	90	(36)	(40.0)
Consolidated Operating Expenses, excluding fuel, profit sharing, special charges and third-party business expenses	\$5,636	\$5,478	\$ 158	2.9	\$11,051	\$10,839	\$ 212	2.0
Net Income (loss)	\$ 339	\$ 538	\$ (199)	(37.0)	\$ (109)	\$ 325	\$ (434)	NM
Less: Special items, net (C)	206	39	167	NM	368	116	252	NM
Net Earnings, excluding special items	\$ 545	\$ 577	\$ (32)	(5.5)	\$ 259	\$ 441	\$ (182)	(41.3)
Diluted earnings (loss) per share	\$ 0.89	\$ 1.39	\$ (0.50)	(36.0)	\$ (0.33)	\$ 0.88	\$ (1.21)	NM
Add back: Special items, net	0.52	0.10	0.42	NM	1.03	0.30	0.73	NM
Diluted earnings per share, excluding special items	\$ 1.41	\$ 1.49	\$ (0.08)	(5.4)	\$ 0.70	\$ 1.18	\$ (0.48)	(40.7)

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**UNITED CONTINENTAL HOLDINGS, INC.**  
NON-GAAP FINANCIAL RECONCILIATION (Continued)

	Three Months Ended June 30,		% Increase/ (Decrease)	Six Months Ended June 30,		% Increase/ (Decrease)
	2012	2011		2012	2011	
<b>CASM Mainline Operations (cents)</b>						
Cost per available seat mile (CASM)	13.65	12.97	5.2	13.73	12.84	6.9
Less: Special charges (C)	0.37	0.26	NM	0.34	0.20	NM
CASM, excluding special charges	13.28	12.71	4.5	13.39	12.64	5.9
Less: Third-party business expenses	0.10	0.10	—	0.12	0.11	9.1
CASM, excluding special charges and third-party business expenses	13.18	12.61	4.5	13.27	12.53	5.9
Less: Fuel expense	4.97	4.55	9.2	4.99	4.32	15.5
CASM, excluding special charges, third-party business expenses and fuel	8.21	8.06	1.9	8.28	8.21	0.9
Less: Profit sharing per available seat mile	0.09	0.16	(43.8)	0.05	0.08	(37.5)
CASM, excluding special charges, third-party business expenses, fuel, and profit sharing	8.12	7.90	2.8	8.23	8.13	1.2
Add: Profit sharing held constant at prior year expense per available seat mile	0.16	0.16	—	0.08	0.08	—
Add: Current year fuel cost at prior year fuel price per available seat mile	4.54	—	NM	4.33	—	NM
Add: Prior year fuel cost per available seat mile	—	4.55	NM	—	4.32	NM
CASM, holding fuel and profit sharing constant and excluding special charges and third-party business expenses	<u>12.82</u>	<u>12.61</u>	1.7	<u>12.64</u>	<u>12.53</u>	0.9
<b>CASM Consolidated Operations (cents)</b>						
Cost per available seat mile (CASM)	14.49	13.85	4.6	14.59	13.72	6.3
Less: Special charges (C)	0.32	0.23	NM	0.29	0.18	NM
CASM, excluding special charges	14.17	13.62	4.0	14.30	13.54	5.6
Less: Third-party business expenses	0.09	0.09	—	0.10	0.10	—
CASM, excluding special charges and third-party business expenses	14.08	13.53	4.1	14.20	13.44	5.7
Less: Fuel expense	5.27	4.96	6.3	5.31	4.71	12.7
CASM, excluding special charges, third-party business expenses and fuel	8.81	8.57	2.8	8.89	8.73	1.8
Less: Profit sharing per available seat mile	0.09	0.14	(35.7)	0.05	0.07	(28.6)
CASM, excluding special charges, third-party business expenses, fuel, and profit sharing	8.72	8.43	3.4	8.84	8.66	2.1
Add: Profit sharing held constant at prior year expense per available seat mile	0.14	0.14	—	0.07	0.07	—
Add: Current year fuel cost at prior year fuel price per available seat mile	4.96	—	NM	4.72	—	NM
Add: Prior year fuel cost per available seat mile	—	4.96	NM	—	4.71	NM
CASM, holding fuel and profit sharing constant and excluding special charges and third-party business expenses	<u>13.82</u>	<u>13.53</u>	2.1	<u>13.63</u>	<u>13.44</u>	1.4

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**Investor Update****Issue Date: July 26, 2012**

This investor update provides forward-looking information about United Continental Holdings, Inc. (the “Company” or “UAL”) for third quarter and full year 2012.

**Capacity**

The Company estimates its third quarter 2012 consolidated system available seat miles (“ASMs”) to decrease between 0.7% and 1.7% as compared to the same period in the prior year. The Company estimates its third quarter 2012 consolidated domestic ASMs to decrease between 1.1% and 2.1% and consolidated international ASMs to decrease between 0.2% and 1.2% year-over-year. For the full year, the Company estimates its consolidated system ASMs to decrease between 0.5% and 1.5% year-over-year.

**Non-Fuel Expense Guidance**

The Company expects third quarter consolidated cost per ASM (“CASM”), excluding profit sharing, third-party business expense, fuel, certain accounting charges and integration-related expenses, to increase 3.0% to 4.0% year-over-year. For the full year, the Company expects CASM, excluding profit sharing, third-party business expense, fuel, certain accounting charges and integration-related expenses, to increase 2.5% to 3.5% year-over-year.

In an effort to provide more meaningful disclosure, the Company provides non-fuel CASM guidance excluding third-party business expenses not associated with the generation of a seat mile. The Company’s third-party business includes activities such as maintenance, ground handling and catering services for third parties, fuel sales and non-air mileage redemptions. The Company expects to record approximately \$70 million of third-party business expenses in the third quarter and \$290 million in 2012. Corresponding third-party business revenue associated with these activities is recorded in other revenue.

**Fuel Expense**

The Company estimates its consolidated fuel price, including the impact of cash settled hedges, to be \$3.13 per gallon for the third quarter and \$3.22 for the full year based on the forward curve as of July 17, 2012.

**Non-Operating Expense**

The Company estimates third quarter non-operating expense to be between \$185 million and \$205 million. For the full year, the Company estimates non-operating expense to be between \$790 million and \$820 million. Non-operating expense includes interest expense, capitalized interest, interest income and other non-operating income/expense.

**Profit Sharing and Stock Based Compensation**

The Company pays 15% of total GAAP pre-tax profits, excluding special items and stock compensation program expense, as profit sharing to employees when pre-tax profit, excluding special items, profit sharing expense and stock compensation program expense, exceeds \$10 million. Stock compensation expense for the purposes of the profit sharing calculation is estimated to be \$42 million year-to-date through the third quarter of 2012 and \$52 million for the full year.

**Capital Expenditures and Scheduled Debt and Capital Lease Payments**

In the third quarter, the Company expects approximately \$490 million of gross capital expenditures and \$330 million of net capital expenditures, excluding net purchase deposits of \$118 million. For the full year, excluding \$119 million of net purchase deposits, the Company expects approximately \$2.35 billion of gross capital expenditures and \$1.25 billion of net capital expenditures.

The Company estimates scheduled debt and capital lease payments for the third quarter to be \$0.4 billion. For the full year, the Company estimates scheduled debt and capital leases to be \$1.3 billion.

**Pension Expense and Contributions**

The Company estimates that its pension expense will be approximately \$160 million for 2012. This amount excludes non-cash settlement charges related to lump-sum distributions. The Company made \$41 million of cash contributions to its tax-qualified defined benefit pension plans in July 2012. The Company’s remaining minimum funding requirement is approximately \$72 million for 2012.

**Taxes**

The Company currently expects to record minimal cash income taxes in 2012.

**Advance Booked Seat Factor (Percentage of Available Seats that are Sold)**

Compared to the same period last year, for the next six weeks, mainline domestic advance booked seat factor is up 2.7 points, mainline international advance booked seat factor is up 1.5 points, mainline Atlantic advance booked seat factor is down 0.2 points, mainline Pacific advance booked seat factor is up 3.5 points and mainline Latin America advance booked seat factor is up 1.9 points. Regional advance booked seat factor is up 4.8 points.

(more)

**Company Outlook**

**Third Quarter and Full Year 2012 Operational Outlook**

	Estimated 3Q 2012	Year-Over-Year % Change Higher/(Lower)	Estimated FY 2012	Year-Over-Year % Change Higher/(Lower)
<b>Capacity (Million ASMs)</b>				
Mainline Capacity				
Domestic	28,869 - 29,165	(2.3%) - (1.3%)	108,708 - 109,826	(2.7%) - (1.7%)
Atlantic	12,954 - 13,089	(3.7%) - (2.7%)	47,669 - 48,161	(3.1%) - (2.1%)
Pacific	10,182 - 10,283	0.9% - 1.9%	39,212 - 39,594	2.6% - 3.6%
Latin America	4,873 - 4,921	0.5% - 1.5%	20,431 - 20,634	0.6% - 1.6%
<b>Total Mainline Capacity</b>	<b>56,878 - 57,458</b>	<b>(1.8%) - (0.8%)</b>	<b>216,020 - 218,215</b>	<b>(1.6%) - (0.6%)</b>
<b>Regional<sup>1</sup></b>	<b>8,633 - 8,719</b>	<b>(0.7%) - 0.3%</b>	<b>32,634 - 32,964</b>	<b>(1.4%) - (0.4%)</b>
Consolidated Capacity				
Domestic	37,044 - 37,422	(2.1%) - (1.1%)	139,663 - 141,095	(2.5%) - (1.5%)
International	28,467 - 28,755	(1.2%) - (0.2%)	108,991 - 110,084	(0.3%) - 0.7%
<b>Total Consolidated Capacity</b>	<b>65,511 - 66,177</b>	<b>(1.7%) - (0.7%)</b>	<b>248,654 - 251,179</b>	<b>(1.5%) - (0.5%)</b>
<b>Traffic (Million RPMs)</b>				
Mainline Traffic				
Domestic				
Atlantic				
Pacific				
Latin America				
<b>Total Mainline System Traffic</b>	<b>Traffic guidance to be provided at a future date</b>			
<b>Regional System Traffic<sup>1</sup></b>				
Consolidated System Traffic				
Domestic System				
International System				
<b>Total Consolidated System Traffic</b>				
<b>Load Factor</b>				
Mainline Load Factor				
Domestic				
Atlantic				
Pacific				
Latin America				
<b>Total Mainline Load Factor</b>	<b>Load factor guidance to be provided at a future date</b>			
<b>Regional Load Factor<sup>1</sup></b>				
Consolidated Load Factor				
Domestic				
International				
<b>Total Consolidated Load Factor</b>				

1. Regional results reflect flights operated under capacity purchase agreements and flights operated as part of our joint venture with Aer Lingus.

(more)

**Company Outlook**

**Third Quarter 2012 Financial Outlook**

	Estimated 3Q 2012	Year-Over- Year % Change Higher/(Lower)	Estimated FY 2012	Year-Over- Year % Change Higher/(Lower)
<b>Revenue (¢/ASM, except Cargo and Other Revenue)</b>				
Mainline Passenger Unit Revenue				
Regional Passenger Unit Revenue				
Consolidated Passenger Unit Revenue				
Cargo and Other Revenue (\$B)				
Revenue guidance to be provided at a future date				
<b>Operating Expense<sup>1</sup> (¢/ASM)</b>				
Mainline Unit Cost Excluding Profit Sharing & Third-Party Business Expense	12.75 - 12.83	2.1% - 2.8%	13.14 - 13.22	3.9% - 4.5%
Regional Unit Cost	19.13 - 19.25	(0.7%) - 0.0%	19.87 - 19.99	2.2% - 2.8%
Consolidated Unit Cost Excluding Profit Sharing & Third-Party Business Expense	13.59 - 13.67	1.7% - 2.3%	14.02 - 14.11	3.5% - 4.2%
<b>Non-Fuel Expense<sup>1</sup> (¢/ASM)</b>				
Mainline Unit Cost Excluding Profit Sharing, Fuel & Third-Party Business Expense	8.03 - 8.11	3.1% - 4.1%	8.29 - 8.37	2.1% - 3.1%
Regional Unit Cost Excluding Fuel	12.06 - 12.18	2.5% - 3.5%	12.58 - 12.70	4.2% - 5.2%
Consolidated Unit Cost Excluding Profit Sharing, Fuel & Third-Party Business Expense	8.56 - 8.64	3.0% - 4.0%	8.85 - 8.94	2.5% - 3.5%
<b>Third-Party Business Expense (\$M)</b>	\$70		\$290	
<b>Select Expense Measures (\$M)</b>				
Aircraft Rent	\$250		\$1,000	
Depreciation and Amortization	\$380		\$1,530	
<b>Fuel Expense</b>				
Mainline Fuel Consumption (Million Gallons)	865		3,285	
Regional Fuel Consumption (Million Gallons)	195		740	
Consolidated Fuel Consumption (Million Gallons)	1,060		4,025	
Consolidated Fuel Price Excluding Hedges	\$3.06 / Gallon		\$3.17 / Gallon	
Consolidated Fuel Price Including Cash Settled Hedges	\$3.13 / Gallon		\$3.22 / Gallon	
<b>Non-Operating Expense (\$M)</b>	\$185 - \$205		\$790 - \$820	
<b>Income Taxes</b>				
Income Tax Rate	0%		0%	
<b>Capital Expenditures (\$M)</b>				
Gross Capital Expenditures ex Purchase Deposits	\$490		\$2,350	
Net Capital Expenditures ex Purchase Deposits	\$330		\$1,250	
Net Purchase Deposits Paid / (Refunded)	\$118		\$119	
<b>Debt and Capital Lease Obligations (\$B)</b>				
Scheduled Debt & Capital Lease Obligations	\$0.4		\$1.3	

1. Excludes special charges.

(more)

## Company Outlook

### Fuel Hedge Positions by Quarter

As of July 17, 2012, the Company had hedged approximately 45% of its expected second half of 2012 consolidated fuel consumption; further details are as follows:

		3Q 2012		4Q 2012			1Q 2013			
		% of Expected Consumption	Weighted Average Strike Price	% of Expected Consumption	Weighted Average Strike Price		% of Expected Consumption	Weighted Average Strike Price		
Aircraft Fuel Swap	(\$/gal)	2%	2.71	—			—			
Diesel Fuel Call Option	(\$/gal)	1%	3.13	1%	3.25		—			
Brent Crude Collar	(\$/bbl)	12%	115	80	14%	116	81	21%	134	90
Heating Oil Collar	(\$/gal)	21%	3.27	2.69	19%	3.56	2.80	5%	3.02	2.67
Aircraft Fuel Collar	(\$/gal)	2%	3.00	2.35	—			—		
Diesel Fuel Collar	(\$/gal)	10%	3.10	2.35	8%	3.28	2.45	2%	3.76	2.75
<b>Total</b>		<b>48%</b>			<b>42%</b>			<b>28%</b>		

### Fuel Price Sensitivity

The table below outlines the Company's estimated settled hedge impacts at various crude oil prices, based on the hedge portfolio as of July 17, 2012:

Crude Oil Price*	Cash Settled Hedge Impact	1Q12	2Q12	3Q12	4Q12	FY12
\$130 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 4.03	\$ 4.03	\$ 3.66
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	(0.25)	(0.17)	(\$0.09)
\$120 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 3.79	\$ 3.79	\$ 3.54
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	(0.14)	(0.07)	(\$0.04)
\$110 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 3.56	\$ 3.55	\$ 3.42
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	(0.03)	(0.01)	\$ 0.01
\$100 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 3.32	\$ 3.31	\$ 3.30
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	0.03	0.03	\$ 0.03
\$89.22 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 3.06	\$ 3.06	\$ 3.17
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	0.06	0.05	\$ 0.05
\$80 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 2.84	\$ 2.84	\$ 3.06
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	0.06	0.06	\$ 0.05
\$70 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 2.60	\$ 2.60	\$ 2.94
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	0.11	0.11	\$ 0.07
\$60 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 2.37	\$ 2.36	\$ 2.82
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	0.20	0.20	\$ 0.12
\$50 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 2.13	\$ 2.12	\$ 2.70
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	0.31	0.30	\$ 0.17
\$40 per Barrel	Fuel Price Excluding Hedge** (\$/gal)	\$3.31	\$3.26	\$ 1.89	\$ 1.89	\$ 2.58
	Increase/(Decrease) to Fuel Expense (\$/gal)	0.03	0.04	0.42	0.40	\$ 0.22

\* Projected impacts assume a common, parallel jet fuel refining crack spread consistent with July 17, 2012 forward prices and a parallel crude forward price curve consistent with July 17, 2012 forward prices. Row headings refer to illustrative average daily closing prices for the current month through July 17, 2012.

\*\* Fuel price per gallon excluding hedge impacts, but including taxes and transportation costs.

(more)

## Company Outlook

### Fleet Plan

As of July 26, 2012, the Company's fleet plan is as follows:

	Mainline Aircraft in Scheduled Service						
	YE 2011	1Q r	2Q r	3Q r	4Q r	YE2012	FY r
B747-400	23	—	—	—	—	23	—
B777-200	74	—	—	—	—	74	—
B787-8	—	—	—	—	4	4	4
B767-200/300/400	59	—	(3)	(2)	—	54	(5)
B757-200/300	155	—	—	(2)	(1)	152	(3)
B737-500/700/800/900	238	(4)	5	(3)	(1)	235	(3)
A319/A320	152	—	—	—	—	152	—
<b>Total Mainline Aircraft</b>	<b>701</b>	<b>(4)</b>	<b>2</b>	<b>(7)</b>	<b>2</b>	<b>694</b>	<b>(7)</b>

	Regional Aircraft in Scheduled Service						
	YE 2011	1Q r	2Q r	3Q r	4Q r	YE2012	FY r
Q400	30	—	(8)	(16)	9	15	(15)
Q300	5	—	—	—	—	5	—
Q200	16	—	—	—	—	16	—
Saab340	—	26	(17)	(9)	—	—	—
ERJ-145	263	(3)	2	8	—	270	7
ERJ-135	—	—	7	—	—	7	7
CRJ200	79	(4)	—	—	—	75	(4)
CRJ700	115	—	—	—	—	115	—
EMB 120	9	—	—	—	—	9	—
EMB 170	38	—	—	—	—	38	—
<b>Total Regional Aircraft</b>	<b>555</b>	<b>19</b>	<b>(16)</b>	<b>(17)</b>	<b>9</b>	<b>550</b>	<b>(5)</b>

### Share Count

These share count charts are based upon several assumptions including market stock price and number of shares outstanding. The number of shares used in the actual earnings per share calculation will likely be different from those set forth below.

Net Income	3Q 2012 (Estimated)		
	Basic Share Count (in millions)	Diluted Share Count (in millions)	Interest Add-back (in \$ millions)
Less than or equal to \$0	331	331	\$ —
\$1 million-\$36 million	331	332	—
\$37 million-\$62 million	331	372	4
\$63 million-\$111 million	331	384	7
\$112 million-\$299 million	331	389	8
\$300 million or greater	331	393	11

Net Income	Full Year 2012 (Estimated)		
	Basic Share Count (in millions)	Diluted Share Count (in millions)	Interest Add-back (in \$ millions)
Less than or equal to \$0	331	331	\$ —
\$1 million-\$145 million	331	332	—
\$146 million-\$248 million	331	372	17
\$249 million-\$447 million	331	384	26
\$448 million-\$1.248 billion	331	389	32
\$1.249 billion or greater	331	393	46

### Non-GAAP to GAAP Reconciliations

Pursuant to SEC Regulation G, the Company has included the following reconciliation of reported non-GAAP financial measures to comparable financial measures reported on a GAAP basis. The Company believes that excluding fuel costs and certain other charges from some measures is useful to investors because it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence, and the effects of certain other charges that would otherwise make analysis of the Company's operating performance more difficult.

(more)

	Estimated 3Q 2012		Estimated FY 2012	
	Low	High	Low	High
<b>Mainline Unit Cost (¢/ASM)</b>				
Mainline CASM Excluding Profit Sharing	12.87	12.95	13.27	13.35
Special Charges (a)	—	—	—	—
Mainline CASM Excluding Profit Sharing & Special Charges (b)	12.87	12.95	13.27	13.35
Less: Third-Party Business Expense	0.12	0.12	0.13	0.13
Mainline CASM Excluding Profit Sharing, Third-Party Business Expense & Special Charges (b)	12.75	12.83	13.14	13.22
Less: Fuel Expense (c)	4.72	4.72	4.85	4.85
Mainline CASM Excluding Profit Sharing, Third-Party Business Expense, Fuel & Special Charges (b)	8.03	8.11	8.29	8.37
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>Regional Unit Cost (¢/ASM)</b>				
Regional CASM	19.13	19.25	19.87	19.99
Less: Fuel Expense	7.07	7.07	7.29	7.29
Regional CASM Excluding Fuel	12.06	12.18	12.58	12.70
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>Consolidated Unit Cost (¢/ASM)</b>				
Consolidated CASM Excluding Profit Sharing	13.70	13.78	14.14	14.23
Special Charges (a)	—	—	—	—
Consolidated CASM Excluding Profit Sharing & Special Charges (b)	13.70	13.78	14.14	14.23
Less: Third-Party Business Expense	0.11	0.11	0.12	0.12
Consolidated CASM Excluding Profit Sharing, Third-Party Business Expense & Special Charges (b)	13.59	13.67	14.02	14.11
Less: Fuel Expense (c)	5.03	5.03	5.17	5.17
Consolidated CASM Excluding Profit Sharing, Third-Party Business Expense, Fuel & Special Charges (b)	8.56	8.64	8.85	8.94

- (a) Operating expense per ASM – CASM excludes special charges, the impact of certain primarily non-cash impairment, severance and other similar accounting charges. While the Company anticipates that it will record such special charges throughout the year and may record profit sharing, at this time the Company is unable to provide an estimate of these charges with reasonable certainty.
- (b) These financial measures provide management and investors the ability to measure and monitor the Company’s performance on a consistent basis.
- (c) Both the cost and availability of fuel are subject to many economic and political factors and are therefore beyond the Company’s control.

**Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:**

Certain statements included in this investor update are forward-looking and thus reflect our current expectations and beliefs with respect to certain current and future events and financial performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to our operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as “expects,” “will,” “plans,” “anticipates,” “indicates,” “believes,” “forecast,” “guidance,” “outlook” and similar expressions are intended to identify forward-looking statements. Additionally, forward-looking statements include statements which do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this investor update are based upon information available to us on the date of this investor update. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law. Our actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: our ability to comply with the terms of our various financing arrangements; the costs and availability of financing; our ability to maintain adequate liquidity; our ability to execute our operational plans; our ability to control our costs, including realizing benefits from our resource optimization efforts, cost reduction initiatives and fleet replacement programs; our ability to utilize our net operating losses; our ability to attract and retain customers; demand for transportation in the markets in which we operate; an outbreak of a disease that affects travel demand or travel behavior; demand for travel and the impact that global economic conditions have on customer travel patterns; excessive taxation and the inability to offset future taxable income; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aviation fuel and energy refining capacity in relevant markets); our ability to cost-effectively hedge against increases in the price of aviation fuel; any potential realized or unrealized gains or losses related to fuel or currency hedging programs; the effects of any hostilities, act of war or terrorist attack; the ability of other air carriers with whom we have alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; the costs and availability of aviation and other insurance; the costs associated with security measures and practices; industry consolidation or changes in airline alliances; competitive pressures on pricing and on demand; our capacity decisions and the capacity decisions of our competitors; U.S. or foreign governmental legislation, regulation and other actions (including open skies agreements and environmental regulations); labor costs; our ability to maintain satisfactory labor relations and the results of the collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; weather conditions; the possibility that expected merger synergies will not be realized or will not be realized within the expected time period; and other risks and uncertainties set forth under Item 1A., Risk Factors of our Annual Report on Form 10-K, as well as other risks and uncertainties set forth from time to time in the reports we file with the SEC. Consequently, forward-looking statements should not be regarded as representations or warranties by us that such matters will be realized.

For further questions, contact Investor Relations at (312) 997-8610 or [investorrelations@united.com](mailto:investorrelations@united.com)