

CONTINENTAL AIRLINES INC /DE/

Form 425

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**The following was posted on Jeff's Journal in the Continental Airlines intranet web site on May 4, 2010:  
Did United buy Continental?**

No.

Since our announcement yesterday that we're going to combine with United Airlines in a merger of equals, I've received some e-mails from you asking if United is buying Continental. So I wanted to clear up this misconception right away.

This is a merger of equals. United isn't buying us, and we aren't buying United. We each will have equal representation on the board of directors (6 independent directors each, plus Glenn Tilton, me, and two union representatives required by United's charter), and the brand of the airline is a blend of Continental's livery, logo and colors, with the United name. We're going to continue service to all the communities we currently serve and our two networks have minimal overlap, so the overwhelming majority of you will also be an important part of the new airline. I will be the CEO in charge of running the combined company and will lead an executive team comprised of an equitable and balanced number of executives from each airline after the merger.

Glenn will be the non-executive Chairman of the board of directors.

The reason that some news stories are suggesting United acquired us is because some media, when they report on mergers, name as the acquiring company the one whose shareholders end up with a larger percent of the combined company. United stockholders will own 55% of the combined company, whereas Continental stockholders will own 45%, simply because United had a higher market capitalization than Continental when the deal was struck. While each share of Continental stock was worth more than each share of United stock, United had more shares outstanding, so at the exchange ratio of 1.05 United shares for each share of CO stock, their stockholders will end up owning more of the combined company. This is just simple math and has nothing to do with who is acquiring whom. In a merger of equals, just as the name implies, neither party acquires the other. They simply combine their businesses, like we are doing with United.

In every way, Continental and United, and each company's respective co-workers, will be equal partners in the combined company.

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P.S. My lawyers are making me put this here again:

### **Important Information For Investors And Stockholders**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. The proposed merger of equals transaction between UAL Corporation ( UAL ) and Continental Airlines, Inc. ( Continental ) will be submitted to the respective stockholders of UAL and Continental for their consideration. UAL will file with the Securities and Exchange Commission ( SEC ) a registration statement on Form S-4 that will include a joint proxy statement of Continental and UAL that also constitutes a prospectus of UAL. UAL and Continental also plan to file other documents with the SEC regarding the proposed transaction. INVESTORS AND SECURITY HOLDERS OF CONTINENTAL ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and stockholders will be able to obtain free copies of the joint proxy statement/prospectus and other documents containing important information about UAL and Continental, once such documents are filed with the SEC, through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by UAL will be available free of charge on UAL s website at [www.united.com](http://www.united.com) under the tab Investor Relations or by contacting UAL s Investor Relations Department at (312) 997-8610. Copies of the documents filed with the SEC by Continental will be available free of charge on Continental s website at [www.continental.com](http://www.continental.com) under the tab About Continental and then under the tab Investor Relations or by contacting Continental s Investor Relations Department at (713) 324-5152.

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

### **Cautionary Statement Regarding Forward-Looking Statements**

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

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are generally outside the control of Continental and UAL and are difficult to predict. Examples of such risks and uncertainties include, but are not limited to, (1) the possibility that the proposed transaction is delayed or does not close, including due to the failure to receive required stockholder or regulatory approvals, the taking of governmental action (including the passage of legislation) to block the transaction, or the failure of other closing conditions, and (2) the possibility that the expected synergies will not be realized, or will not be realized within the expected time period, because of, among other things, significant volatility in the cost of aircraft fuel, the high leverage and other significant capital commitments of Continental and UAL, the ability to obtain financing and to refinance the combined company s debt, the ability of Continental and UAL to maintain and utilize their respective net operating losses, the impact of labor relations, global

economic conditions, fluctuations in exchange rates, competitive actions taken by other airlines, terrorist attacks, natural disasters, difficulties in integrating the two airlines, the willingness of customers to travel by air, actions taken or conditions imposed by the U.S. and foreign governments or other regulatory matters, excessive taxation, further industry consolidation and changes in airlines alliances, the availability and cost of insurance and public health threats.

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