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United Continental Holdings, Inc.  
Form 10-Q  
October 22, 2015

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission	Executive Office Address and	State of	I.R.S. Employer
File Number 001-06033	Telephone Number United Continental Holdings, Inc.  233 South Wacker Drive,  Chicago, Illinois 60606  (872) 825-4000	Incorporation Delaware	Identification No. 36-2675207

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001-10323

United Airlines, Inc.

Delaware

74-2099724

233 South Wacker Drive,

Chicago, Illinois 60606

(872) 825-4000

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

United Continental Holdings, Inc. Yes x No "
United Airlines, Inc. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

United Continental Holdings, Inc. Yes x No "
United Airlines, Inc. Yes x No "

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

United Continental Holdings, Inc. Large accelerated filer x Accelerated filer " Non-accelerated filer " Smaller reporting company "
United Airlines, Inc. Large accelerated filer " Accelerated filer " Non-accelerated filer x Smaller reporting company "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

United Continental Holdings, Inc. Yes " No x
United Airlines, Inc. Yes " No x

The number of shares outstanding of each of the issuer's classes of common stock as of October 13, 2015 is shown below:

United Continental Holdings, Inc. 372,810,266 shares of common stock (\$0.01 par value)
United Airlines, Inc. 1,000 (100% owned by United Continental Holdings, Inc.)

There is no market for United Airlines, Inc. common stock.

OMISSION OF CERTAIN INFORMATION

This combined Form 10-Q is separately filed by United Continental Holdings, Inc. and United Airlines, Inc. United Airlines, Inc. meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format allowed under that General Instruction.

United Continental Holdings, Inc.

United Airlines, Inc.

Quarterly Report on Form 10-Q

For the Quarter Ended September 30, 2015

	Page
<b><u>PART I. FINANCIAL INFORMATION</u></b>	
Item 1.	<u>Financial Statements</u>
	United Continental Holdings, Inc.:
	<u>Statements of Consolidated Operations</u> 3
	<u>Statements of Consolidated Comprehensive Income (Loss)</u> 4
	<u>Consolidated Balance Sheets</u> 5
	<u>Condensed Statements of Consolidated Cash Flows</u> 7
	United Airlines, Inc.:
	<u>Statements of Consolidated Operations</u> 8
	<u>Statements of Consolidated Comprehensive Income (Loss)</u> 9
	<u>Consolidated Balance Sheets</u> 10
	<u>Condensed Statements of Consolidated Cash Flows</u> 12
	<u>Combined Notes to Condensed Consolidated Financial Statements</u>
	<u>(United Continental Holdings, Inc. and United Airlines, Inc.)</u> 13
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 27
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 41
Item 4.	<u>Controls and Procedures</u> 41
<b><u>PART II. OTHER INFORMATION</u></b>	
Item 1.	<u>Legal Proceedings</u> 43
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 43
Item 6.	<u>Exhibits</u> 43
	<u>Signatures</u> 44
	<u>Exhibit Index</u> 45

## PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.  
UNITED CONTINENTAL HOLDINGS, INC.

## STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)

(In millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Operating revenue:				
Passenger Mainline	\$ 7,254	\$ 7,414	\$ 20,153	\$ 20,410
Passenger Regional	1,706	1,900	4,903	5,269
Total passenger revenue	8,960	9,314	25,056	25,679
Cargo	235	237	706	678
Other operating revenue	1,111	1,012	3,066	3,231
	10,306	10,563	28,828	29,588
Operating expense:				
Salaries and related costs	2,534	2,344	7,289	6,684
Aircraft fuel	1,934	3,127	5,904	9,145
Regional capacity purchase	572	597	1,725	1,747
Landing fees and other rent	551	567	1,647	1,706
Depreciation and amortization	469	422	1,343	1,248
Aircraft maintenance materials and outside repairs	424	435	1,252	1,364
Distribution expenses	366	375	1,026	1,039
Aircraft rent	185	222	580	668
Special charges (Note 10)	76	43	195	264
Other operating expenses	1,296	1,240	3,782	3,975
	8,407	9,372	24,743	27,840
Operating income	1,899	1,191	4,085	1,748
Nonoperating income (expense):				
Interest expense	(164)	(186)	(504)	(559)
Interest capitalized	13	13	38	40
Interest income	5	8	16	17
Miscellaneous, net (Note 10)	(147)	(106)	(321)	(141)
	(293)	(271)	(771)	(643)
Income before income taxes	1,606	920	3,314	1,105
Income tax expense (benefit)	(3,210)	(4)	(3,203)	1
Net income	\$ 4,816	\$ 924	\$ 6,517	\$ 1,104
Earnings per share, basic	\$ 12.83	\$ 2.50	\$ 17.19	\$ 2.98
Earnings per share, diluted	\$ 12.82	\$ 2.37	\$ 17.15	\$ 2.84

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

**UNITED CONTINENTAL HOLDINGS, INC.**

**STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**

(In millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net income	\$ 4,816	\$ 924	\$ 6,517	\$ 1,104
Other comprehensive income (loss), net change related to:				
Fuel derivative financial instruments	(104)	(120)	129	(95)
Employee benefit plans	(12)	(82)	18	(121)
Investments and other	(6)	1	(2)	(4)
	(122)	(201)	145	(220)
Total comprehensive income, net	\$ 4,694	\$ 723	\$ 6,662	\$ 884

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

## UNITED CONTINENTAL HOLDINGS, INC.

## CONSOLIDATED BALANCE SHEETS

(In millions, except shares)

	(Unaudited)	
	September 30, 2015	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 3,427	\$ 2,002
Short-term investments	2,172	2,382
Receivables, less allowance for doubtful accounts (2015 \$18; 2014 \$22)	1,513	1,146
Fuel hedge collateral deposits	156	577
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2015 \$226; 2014 \$169)	704	666
Deferred income taxes	1,306	591
Prepaid expenses and other	819	774
	10,097	8,138
Operating property and equipment:		
Owned		
Flight equipment	23,231	21,107
Other property and equipment	4,342	4,016
	27,573	25,123
Less Accumulated depreciation and amortization	(8,038)	(7,079)