

U.S. Department of Transportation  
Research and Special Programs  
Administration

REPORT OF FINANCIAL  
AND OPERATING STATISTICS FOR  
LARGE CERTIFICATED  
AIR CARRIERS

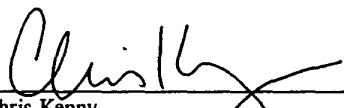
Period ended September 30, 2000

Continental Micronesia, Inc.

CS ✓

CERTIFICATION\*

I, the undersigned Staff Vice President and Controller of Continental Airlines, Inc. do certify that this report and all schedules, ADP-media submissions, Passenger Origin-Destination Survey submissions and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, retained earnings, and operating statistics for the periods reported in the several schedules, the Schedule T-100 ADP-media submissions, and the Passenger Origin-Destination Survey; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Large Certificated Air Carriers prescribed by the Department of Transportation; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in the financial and statistical statements.

  
Chris Kenny  
Staff Vice President and Controller  
P.O. Box 4607  
Houston, Texas 77210-4607

Dated November 9, 2000

\*Title 18 U.S.C. Sec. 1001, Crimes and Criminal Procedure, makes it a criminal offense subject to a maximum of \$10,000 or imprisonment for not more than 5 years, or both, to knowingly and willfully make or cause to be made any false or fraudulent statements or representations in any matter within jurisdiction of any agency of the United States.

RSPA Form 41 Schedule A

## BALANCE SHEET

As At: September 30, 2000  
Schedule B-1

Air Carrier:  
Operation : Domestic CSD  
(000's)  
AMOUNT

ACCT#	DESCRIPTION	
	ASSETS	
	CURRENT ASSETS	
1010	Cash	2,750
1100	Short-Term Investments	0
1200	Notes Receivable	0
1270	Accounts Receivable	7,302
1290	Less Allow. for Bad Debts	663
1299	Net Notes & Accounts Receivable	6,639
1399	Net Spare Parts & Supplies	104
1410	Prepaid Items	18,374
1420	Other Current Assets	0
1499	Total Current Assets	27,867
	INVESTMENTS IN SPECIAL FUNDS	
1510	Inv. in Associated Companies	0
1530	Other Investments & Receivables	0
1550	Special Funds	0
1599	Total Inv. & Special Funds	0
	OPERATING PROPERTY & EQUIPMENT	
1609	Flight Equipment	11,607
1649	Ground-Property and Equipment	37,984
1668	Less Allowance for Depreciation	30,392
1675	Property & Equipment - Net	19,199
1679	Land	0
1685	Purchase Dep. & Adv. Payments	0
1689	Construction Work-in-progress	542
1695	Leased Property - Cap. Leases	38,134
1696	Accum. Amort. Capital Leases	32,444
1699	Total Oper. Prop. & Equipment	25,431
	NONOPERATING PROP. & EQUIPMENT	
1791	Less Allow. for Depr. - Nonop.	0
1792	Net Nonoperating Prop. & Eqmt.	0
	OTHER ASSETS	
1820	Long-term Prepayments	0
1830	Unamort. Dev. & Preop. Costs	0
1890	Other Assets and Def. Charges	402,723
1895	Total Other Assets	402,723
1899	TOTAL ASSETS	456,021

## BALANCE SHEET

As At: September 30, 2000  
Schedule B-1

Air Carrier:  
Operation : Domestic CSD  
(000's)  
AMOUNT

ACCT#	DESCRIPTION	
	LIABILITIES & STOCKHOLDERS' EQ.	
	CURRENT LIABILITIES	
2000	Curr. Maturities of L-T Debt	0
2005	Notes Payable - Banks	0
2015	Notes Payable - Others	65,000
2021	Trade Accts. Payable	46,640
2025	Accts. Payable - Other	33,545
2080	Curr. Oblig. Under Cap. Leases	7,351
2110	Accrued Salaries & Wages	2,768
2120	Accrued Vacation Pay	2,612
2125	Accrued Interest	216
2130	Accrued Taxes	1,232
2140	Dividends Declared	0
2160	Air Traffic Liability	198
2190	Other Current Liabilities	1,090
2199	Total Current Liabilities	160,652
	NONCURRENT LIABILITIES	
2210	Long-term Debt	0
2240	Advances from Assoc. Companies	85,000
2250	Pension Liability	7,703
2280	Noncurrent Obgl.-Capital Leases	3,462
2290	Other Noncurrent Liabilities	0
2299	Total Noncurrent Liabilities	96,165
	DEFERRED CREDITS	
2340	Deferred Income Taxes	38,099
2345	Deferred Investment Tax Credits	0
2390	Other Deferred Credits	832
2399	Total Deferred Credits	38,931
	STOCKHOLDERS' EQUITY	
2820	Preferred Shares Issued	1
2840	Common Shares Issued	0
2860	Subscribed & Unissued	0
2869	Total Capital Stock	1
2890	Additional Capital Invested	170,829
2899	Total Paid in Capital	170,830
2900	Retained Earnings	-10,557
2959	Total Stockholders' Equity	160,273
2990	Less Treasury Stock	0
2995	Net Stockholders' Equity	160,273
2999	Total Liab. & Stockholders' Eq.	456,021
2820A	No. of Preferred Shares Issued	0
2840A	No. of Common Shares Issued	0

L i n e		Year of First Delivery (Airframe)	Airframe Manufacturers Serial Number	Date Acquired or Retired (3)	Tail Number	Acquisition or Retirement "A" or "R"	Airframe License Number	Number of Engines Acquired/ Retired (6)	Type, Model Cabin Design	Maximum Seating Capacity	Cost	Amortized/ Depreciated Cost (10)	Realization (11)	Acquired From/ Disposition To (12)
		(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)			
Operating Lease Airframe Units														
1	Op	1981	22252	09/08/00	743	R	N79743 (B)	3 JT8D-15	B727-200	10/00/143	\$ -	\$ -	\$ -	FINOVA CAPITAL
2	Op	1981	22253	09/01/00	744	R	N79744 (A)	3 JT8D-15	B727-200	10/00/143	\$ -	\$ -	\$ -	FINOVA CAPITAL
3	Op	1981	22448	09/30/00	745	R	N79745 (B)	3 JT8D-15	B727-200	10/00/143	\$ -	\$ -	\$ -	HELLER FINANCIAL

FOOTNOTES:

(A) Aircraft returned to lessor in 3rd quarter.

(B) Aircraft is non-operating/retire from fleet, still in CMI possession.

U. S. Department of Transportation  
Research and Special Programs Administration

CONTINENTAL MICRONESIA, INC.  
STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2000  
(IN THOUSANDS)

<b>Cash Flows from Operating Activities -</b>		
Net income.....	\$15,007	1
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation and amortization .....	5,319	2
Deferred income tax provision.....	8,074	3
Provision for Doubtfull Receivables.....	15	4
Amortization of Deferred Credits.....	0	5
Other, net.....	102	6
<b>Changes in operating assets and liabilities:</b>		
Decrease in accounts receivable, net.....	1,693	7
Decrease in spare parts and supplies.....	2	8
Increase in prepayments and other assets.....	(6,503)	9
Decrease in accounts payable.....	(6,080)	10
Decrease in air traffic liability.....	(111)	11
Increase in accrued interest, other current liabilities, deferred credits and other.....	7,592	12
<b>Net cash provided by operating activities.....</b>	<u>25,110</u>	13
<b>Cash Flows from Investing Activities -</b>		
Capital expenditures.....	(913)	14
Proceeds from disposition of property & equipment and other assets.....	-	15
<b>Net cash used by investing activities.....</b>	<u>(913)</u>	16
<b>Cash Flows from Financing Activities -</b>		
Dividends paid to minority interest holder.....	0	17
Proceeds from issuance of long-term debt.....	0	18
Payments on long-term debt, capital leases and notes to affiliates.....	(34,253)	19
<b>Net cash used by financing activities.....</b>	<u>(34,253)</u>	20
<b>Net decrease in cash and cash equivalents .....</b>	<u>(10,056)</u>	21
<b>Cash and cash equivalents at beginning of period.....</b>	<u>12,806</u>	22
<b>Cash and cash equivalents at end of period.....</b>	<u>\$2,750</u>	23
<b>Supplemental Cash Flow Information:</b>		
Interest paid.....	<u>\$273</u>	24
Taxes Paid.....	<u>\$0</u>	25

Submitted in lieu of:  
RSPA Form 41 Schedule B-12

## STATEMENT OF OPERATIONS

Quarter Ended: September 30, 2000  
 Schedule P-1.2 Group III

Air Carrier:  
 Operation : Pacific CSP

ACCT#	DESCRIPTION	(000's) AMOUNT
	OPERATING REVENUES	
3901.1	Passenger - First Class	0
3901.2	Passenger - Coach	120,364
3901	Transport Revenues - Passenger	120,364
3905	Mail	2,533
3906.1	Property - Freight	6,823
3906.2	Property - Excess Baggage	239
3907.1	Charter - Passenger	1,038
3907.2	Charter - Property	0
3919.1	Reserv. Cancellation Fees	0
3919.2	Misc. Operating Revenues	4,072
4808	Public Service Subsidy	0
4898	Transport Related	5,959
4999	Total Operating Revenue	141,028
	OPERATING EXPENSES	
5100	Flying Operations	36,038
5400	Maintenance	10,190
5500	Passenger Service	10,362
6400	Aircraft & Traffic Servicing	23,331
6700	Promotion & Sales	15,715
6800	General & Administrative	9,551
7000	Depreciation & Amortization	5,319
7100	Transport Related Expenses	3,372
7199	Total Operating Expenses	113,878
7999	Operating Profit or Loss	27,150
	NONOPERATING EXPENSE (INCOME)	
8181	Int. Exp. (Inc.) on L-T-D & Cap. Leases	3,439
8182	Other Interest Expense (Income)	-56
8185	Foreign Exchange Gain or Loss	275
8188.5	Capital (Gains)/Losses- Op.Prop.	0
	Capital (Gains)/Losses- Other	
8189	Other Expense (Income) - Net	1
8199	Nonoperating Expense (Income)	3,659
8999	Income Before Income Taxes	23,491
9100	Income Tax Expense	8,485
9199	Inc. Bf. Disc. Ops & Other Items	15,006
9600	Discontinued Operations	0
9796	Extraordinary Items	0
9797	Inc. Tax Appl. To Extraord. Item	0
9799	Income Before Account. Changes	15,006
9800	Accounting Changes	0
9899	Net Income	15,006

AIRCRAFT OPERATING EXP. - Sch. P-5.2 Grp II & III Otr: September 30, 2000  
Air Carrier: Operation: Pacific CSP  
(000's) Total Eqp B-737-8/9 B-727-2 DC-10-3  
ACCT # DESCRIPTION Code 9999 Code 6141 Code 7151 Code 7321

FLYING OPERATIONS					
5123	Pilots and Copilots	11,019	6,720	1,828	2,471
5124	Other Flight Personnel	0	0	0	0
5128.1	Trainees and Instructors	0	0	0	0
5136	Personnel Expenses	540	329	90	121
5141	Prof. & Tech. Fees & Exp.	0	0	0	0
5143.7	Aircraft Interch. -Outside	0	0	0	0
5145.1	Aircraft Fuel	15,973	6,111	3,033	6,829
5145.2	Aircraft Oil	0	0	0	0
5147	Aircraft Rentals	8,005	4,872	890	2,243
5153	Other Supplies	0	0	0	0
5155.1	Insur. Purch. - General	0	0	0	0
5157	Empl. Benefits and Pensions	0	0	0	0
5158	Injuries, Loss and Damage	0	0	0	0
5168	Taxes-Payroll	0	0	0	0
5169	Taxes-Other Than Payroll	501	191	95	215
5171	Other Expense	0	0	0	0
5199	Total Flying Operations	36,038	18,223	5,936	11,879
DIRECT MAINTENANCE-FLIGHT EQUIP					
5225.1	Maint Airf. Labor	1,129	689	187	253
5225.2	Maint Eng. Labor	758	462	126	170
5243.1	Maint Airf. Outside Rep.	5,919	0	1,164	4,755
5243.2	Maint Eng. Outside Rep.	0	0	0	0
5243.7	Maint AC Interch. Chrgs-O/S	0	0	0	0
5246.1	Maint Materials - Airframe	14	0	14	0
5246.2	Maint Materials - Engines	0	0	0	0
5272.1	Maint Airfrm Airworth. Provs.	0	0	0	0
5272.3	Maint Airfrm O/H Deferred	0	0	0	0
5272.6	Maint AC Eng. Airworth. Prov	0	0	0	0
5272.8	Maint AC Eng. O/H Def. (cr.)	0	0	0	0
5278	Total Dir Maint-Flt.Eqpt	7,820	1,151	1,491	5,178
5279.6	APPL. MAINT BURDEN FLT. EQ.	2,222	327	424	1,471
5299	Total Flt. Eq. Maint. (Memo)	10,042	1,478	1,915	6,649
7073.9	NET OBSL & DETER.- EXP. PARTS	0	0	0	0
DEPRECIATION - FLIGHT EQUIPMENT					
7075.1	Depr. Airframes	0	0	0	0
7075.2	Depr. Aircraft Engines	0	0	0	0
7075.3	Depr. Airframe Parts	0	0	0	0
7075.4	Depr. Engine Parts	0	0	0	0
7075.5	Depr. Other Flt Eqp.	0	0	0	0
7076.1	Amort. Cap. Leases Flt.Eqpt.	1,009	0	0	1,009
EXPENSE OF INTERCHANGE AIRCRAFT					
7098.1	Exp. of Interch. AC- Flt. Ops	0	0	0	0
7098.2	Exp. of Interch. AC- Maint.	0	0	0	0
7098.9	Total Aircraft Operating Expens	47,089	19,701	7,851	19,537
OTHER DEPRECIATION & AMORTIZATI					
7074.1	Amortization Developmental &Pre	3,076			
7074.2	Amortization Other Intangibles	0			
7075.8	Depreciation Hangar & Maint. Eq	0			
7075.9	Depreciation Ground Property	1,114			
7076.2	Amort. Capital Leases Other	120			

U.S. Department  
of Transportation

Air Carrier: **Continental Micronesia, Inc.**  
Operation: **Pacific**  
Period Ended: **September 30, 2000**

**NOTES TO FORM 41 REPORT**

- (1) Included in account 2900 on Schedule B-1 is the unrealized gain on derivative instruments as a debit balance of approximately \$7,601 thousand.



# OPERATING EXPENSES BY OBJECTIVE GROUPING

Quarter Ended: September 30, 2000  
Schedule P-6

Air Carrier:  
Operation : Pacific CSP

(000's)  
AMOUNT

LINE#	DESCRIPTION	AMOUNT
	SALARIES & REL. FRINGE BENEFIT	
	SALARIES:	
Line 3	General Mgmt. Per.	0
Line 4	Flight Personnel	14,269
Line 5	Maintenance Labor	3,530
Line 6	Aircr. & Traffic Hndl. Per.	4,925
Line 7	Other Personnel	3,404
Line 8	Total Salaries	26,128
	RELATED FRINGE BENEFITS	
Line 10	Personnel Expense	1,376
Line 11	Empl. Benefits & Pensions	2,583
Line 12	Payroll Taxes	1,668
Line 13	Total Fringe Benefits	5,627
Line 14	Total Salaries & Benefits	31,755
	MATERIALS PURCHASED	
Line 16	Aircraft Fuel & Oil	16,474
Line 17	Maintenance Materials	153
Line 18	Passenger Food	4,924
Line 19	Other Materials	728
Line 20	Total Materials	22,279
	SERVICES PURCHASED	
Line 22	Advertising & Other Promotion	806
Line 23	Communications	2,973
Line 24	Insurance	0
Line 25	Outside Flight Eqpt. Maint.	5,933
Line 26	Traffic Commissions - Passenger	10,041
Line 27	Traffic Commissions - Cargo	259
Line 28	Other Services	14,937
Line 29	Total Services	34,949
Line 30	LANDING FEES	2,368
Line 31	RENTALS	13,070
Line 32	DEPRECIATION	1,114
Line 33	AMORTIZATION	4,205
Line 34	OTHER	766
Line 35	TRANSPORT RELATED EXPENSES	3,372
Line 36	TOTAL OPERATING EXPENSES	113,878

# OPERATING EXPENSES BY FUNCTIONAL GROUPING

Quarter Ended: September 30, 2000  
Schedule P-7

Air Carrier: Continental Micrones  
Operation : Pacific CSP

(000's)  
AMOUNT

LINE#	DESCRIPTION	AMOUNT
Line 2	AIRCRAFT OPER. EXPENSES (DIRECT) Aircraft Operating Expenses	47,089
	SERV., SALES & GEN.OP.(INDIRECT)	
	PASSENGER SERVICE EXPENSE:	
Line 5	Flight Attendant Expense	4,559
Line 6	Food Expense	4,924
Line 7	Other In-Flight Expense	879
Line 8	Total Passenger Service Exp.	10,362
	PASSENGER SERVICING EXPENSE:	
Line 10	Line Servicing Expense	2,565
Line 11	Control Expense	3,396
Line 12	Landing Fees	2,368
Line 13	Total Aircraft Servicing Exp.	8,329
	TRAFFIC SERVICING EXPENSE:	
Line 15	Directly Assignable- Psgr.	8,830
Line 16	Directly Assignable- Cargo	2,341
Line 17	Not Directly Assignable	3,831
Line 18	Total Traffic Servicing Exp.	15,002
	RESERVATIONS AND SALES EXPENSE:	
Line 20	Directly Assignable- Psgr.	12,433
Line 21	Directly Assignable- Cargo	259
Line 22	Not Directly Assignable	2,217
Line 23	Total Reservat. & Sales Exp.	14,909
	ADVERTISING & PUBLICITY EXPENSE:	
Line 25	Directly Assignable- Psgr.	0
Line 26	Directly Assignable- Cargo	806
Line 27	Not Directly Assignable	0
Line 28	Total Advertising & Prom. Exp	806
Line 29	GENERAL & ADMINISTRATIVE EXPENSE	9,551
	MAINT. & DEPREC. -GROUND PROP.&EQ.	
Line 31	Maintenance Ground Prop.&Eqpt.	148
Line 32	Depreciation Ground Prop.&Eqpt	1,114
Line 33	Total Maint.&Depr.- Ground P&E	1,262
Line 34	DEPR. EXPENSE - MAINTENANCE EQ.	0
Line 35	AMORT. (OTHER THAN FLIGHT EQ.)	3,196
Line 36	TOTAL SVCING, SALES & GEN.OP.EXP.	63,417
Line 37	TRANSPORT RELATED EXPENSES	3,372
Line 38	TOTAL OPERATING EXPENSES	113,878

REVISED

6/28/01