

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): **June 19, 2008**

CONTINENTAL AIRLINES, INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

1-10323

(Commission File Number)

74-2099724

(IRS Employer Identification No.)

1600 Smith Street, Dept. HQSEO, Houston, Texas

(Address of Principal Executive Offices)

77002

(Zip Code)

(713) 324-2950

(Registrant's Telephone Number, Including Area Code)

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

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

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

Item 8.01. Other Events.

On June 19, 2008, we and United Air Lines ("United") issued a joint press release announcing a framework agreement to cooperate extensively, linking our networks and services worldwide to the benefit of customers, and creating revenue opportunities and cost savings and other efficiencies. In addition, we plan to join United in the Star Alliance, the most comprehensive airline alliance in the world. Set forth below is further discussion of the matters announced in this press release, including a discussion of the risks associated with such matters.

The press release is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

Recent Developments

Global Alliance

Following the announcement by Delta Air Lines ("Delta") and Northwest Airlines ("Northwest") of their definitive agreement to merge, we began to evaluate which of the three major global airline alliances would be best for us over the long term. Alliances allow airlines to offer their passengers greater destination coverage and thus provide airlines with the potential for increased revenue, and may also provide cost savings to the participating carriers. Alliances are generally implemented through a series of bilateral code-share, frequent flyer program participation and airport lounge access agreements between each member of the alliance.

On June 19, 2008, we entered into framework agreements with United and Deutsche Lufthansa ("Lufthansa"), pursuant to which we plan to develop an extensive code-share relationship and reciprocity of frequent flier programs, elite customer recognition and airport lounge use. We plan to implement these relationships after we wind down and exit our participation in our current alliances, including our participation in SkyTeam, and join United and Lufthansa in the Star Alliance. We also plan to apply to join the antitrust immunized alliance among United, Lufthansa and other members of the Star Alliance, with the goal of entering into various international joint ventures with certain of those partners.

Withdrawal from SkyTeam. Prior to joining the Star Alliance, we must exit our existing bilateral alliance agreements with SkyTeam members and enter into new ones with our new alliance partners. The length of this transition period will depend upon a number of factors outside of our control, including the consummation of the merger of Delta and Northwest, and the timing of our withdrawal from our existing agreements with SkyTeam members. We expect that this transition period will last at least one year, although it could last longer. During and following this period, we may experience a significant decrease in revenues due to the wind down of our SkyTeam relationships or a delay in the anticipated increase in revenues from our planned participation in the Star Alliance. Please see "Risk Factors - *We have decided to change our global airline alliance, which could involve significant transition and integration risk*" below.

Code-Sharing and Reciprocity. Under the framework agreements, subject to regulatory and other approvals, we expect to begin broad code-sharing with United and Lufthansa, which will facilitate itineraries using any of the carriers and provide for a seamless process for reservations and ticketing, check-in, flight connections and baggage transfer. In addition, we intend to allow members of each carrier's frequent flier program to earn miles when flying on the other airlines and redeem awards on any of the carriers. Travel on any of the carriers will count towards elite customer recognition. Similarly, each carrier's customers will have access to the other airlines' network of airport lounges.

International Joint Ventures. In connection with our entry into the framework agreements, we will request that the U.S. Department of Transportation allow us to join United, Lufthansa and seven other air carriers in an alliance that has been granted global antitrust immunity for international air transportation. In addition, we intend to seek a modification to our existing pilot collective bargaining agreement to permit us to enter into an international joint venture with United. Upon receipt of regulatory and other approvals, we intend to establish a trans-Atlantic joint venture with United and Lufthansa, and possibly with other carriers, which would involve coordinated scheduling, revenue pooling and other cooperative efforts. We would also explore forming similar joint ventures in the Latin America and Asia/Pacific regions with United and other alliance partners.

Risk Factors

We have decided to change our global airline alliance, which could involve significant transition and integration risks.

On June 19, 2008, we entered into framework agreements with United and Lufthansa, pursuant to which we plan to wind down and exit our participation in our current alliance, SkyTeam, and join United and Lufthansa in the Star Alliance. This change from SkyTeam to the Star Alliance could involve significant transition and integration risks, both because we are required to wind down our existing SkyTeam relationships as we initiate activities in the Star Alliance, and because we may incur unanticipated costs and/or a loss of revenue (or a delay in anticipated increased revenue from the new alliance) in connection with this change. The significant transition and integration risks include:

- our inability to terminate our existing agreements with SkyTeam members in the transition period we have anticipated, including as a result of the failure of Delta and Northwest to consummate their proposed merger;
- significant revenue dilution as we wind down our participation in SkyTeam and/or insufficient or delay in receipt of revenue from our participation in the Star Alliance, including due to an inability to maintain our key customer and business relationships as we transition to the Star Alliance;
- an inability to join or a delay in joining the Star Alliance due to lack of applicable approvals or difficulty in satisfying entrance requirements, including the requirement that we enter into certain bilateral agreements with each member of the Star Alliance; and
- difficulties integrating our technology processes with the Star Alliance members.

In addition, the full implementation of some of the arrangements contemplated by our framework agreements with United and Lufthansa require the approval of domestic and foreign regulatory agencies. These agencies may impose requirements, limitations or costs on us or on the Star Alliance members, or require us or them to divest slots, gates, routes or other assets, which may impair the value to us of entering the alliance or make participation in the alliance by us or them unattractive, and in certain cases could prevent us from consummating the transactions contemplated by the framework agreements.

If any of these risks materialize, they could have a material adverse effect on our business, results of operations and financial condition.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release

SIGNATURE

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

CONTINENTAL AIRLINES, INC.

June 19, 2008

By /s/ Jennifer L. Vogel

Jennifer L. Vogel

Senior Vice President, General Counsel,
Secretary and Chief Compliance Officer

EXHIBIT INDEX

99.1 Press Release



News Release Contacts: Continental Corporate Communications, (713) 324-5080

United Worldwide Press Office, (312) 997-8640

CONTINENTAL AIRLINES AND UNITED AIRLINES ANNOUNCE COMPREHENSIVE PLAN FOR GLOBAL COOPERATION;

CONTINENTAL PLANS TO JOIN STAR ALLIANCE

CHICAGO, June 19, 2008 - Continental Airlines (NYSE: CAL) and United Airlines (NASDAQ: UUA) today announced a framework agreement to cooperate extensively, linking their networks and services worldwide to the benefit of customers, and creating revenue opportunities and cost savings and other efficiencies. In addition, Continental plans to join United in the Star Alliance, the most comprehensive airline alliance in the world.

"Continental's plan to partner with United and join the Star Alliance will provide substantial new opportunities for all of our customers," said Larry Kellner, chairman and CEO of Continental. "In a network business, there is significant value gained from linking with larger networks to provide truly national coverage and expanded global reach, and exploring new ways to reduce costs and improve efficiencies. As we experience some of the most challenging conditions airlines have ever faced, we look forward to the benefits of a new relationship with United and the other Star Alliance members."

Teams from the two organizations worked intensively over the last several weeks exploring creative solutions for how the two companies could achieve efficiencies and synergies that expand beyond the well-established benefits of codesharing. Their work focused on plans for significant cooperation on frequent flier programs, lounges, facility utilization, information technology and procurement. This work was assisted by the efficiency opportunities identified and relationships developed during the parties' earlier merger discussions.

"The teams worked well together to identify opportunities to create a unique and competitive partnership extending well beyond a traditional code share agreement," said Glenn Tilton, chairman, president and CEO of United. "On behalf of the Star Alliance, I am very pleased to invite Continental to join as a member. Continental will bring significant new assets to our global alliance, and our two companies will work together effectively with our partners to provide the best overall network in America and the world."

Kellner and Tilton are meeting in Chicago this afternoon to sign a framework agreement outlining the systemwide alliance and cooperation principles between their carriers.

Antitrust Immunized Joint Ventures

Through this new partnership, Continental and United plan to establish joint ventures allowing them to cooperate with each other and with other Star Alliance airlines in international regions and compete more effectively in an increasingly global air travel market.

Initially, Continental will request the U.S. Department of Transportation (DOT) to allow it to join United -- along with Lufthansa, Air Canada and six other carriers -- in their already established antitrust immunized alliance. This will enable Continental, United, Lufthansa, Air Canada and other immunized Star Alliance carriers to work closely together as other antitrust immunized alliances do, and to establish trans-Atlantic and other international joint ventures so they can deliver highly competitive flight schedules, fares and service. The planned trans-Atlantic joint venture, in which Continental, United, Lufthansa and Air Canada will pool revenue, will permit the carriers to compete more effectively with the proposed joint venture involving certain SkyTeam members that was recently granted antitrust immunity. The trans-Atlantic joint venture will combine the strength of the carriers to create a more efficient and comprehensive trans-Atlantic network for the carriers' customers.

Joint ventures are also planned for the Latin America and Asia/Pacific regions, involving Continental, United and other members of the Star Alliance. Both antitrust immunity and code-sharing are subject to receipt of approvals from applicable national authorities.

Domestic Codesharing and Frequent Flyer/Lounge Reciprocity

Continental's and United's route networks are highly complementary, with little overlap, so they add value to each other and to customers who are planning domestic and international itineraries.

In the United States domestic market, where antitrust immunity for solely domestic travel would not apply, the two airlines plan to begin broad code-sharing, which facilitates the creation of itineraries using both carriers, as well as frequent flyer program, elite customer recognition and airport lounge reciprocity. These cooperative activities are subject to regulatory notice to applicable

authorities and Continental exiting certain of its current alliance relationships. Under code-sharing, customers will benefit from a coordinated process for reservations/ticketing, check-in, flight connections and baggage transfer.

Frequent flier reciprocity will allow members of Continental's OnePass program and United's Mileage Plus program to earn miles in their accounts when flying on either partner airline and redeem awards on both carriers. Travel on either carrier will count toward elite customer recognition. Similarly, each carrier's customers will have access to both Continental's Presidents Club network and United's Red Carpet Club network of airport lounges.

Continental Joining Star Alliance

Continental's plans to join the Star Alliance and the other planned cooperation are subject to receipt of certain regulatory and other approvals and the termination of certain contractual relationships, including Continental's existing agreements with SkyTeam members that restrict its participation in another global alliance. Continental intends to terminate its existing agreements with SkyTeam members and obtain the necessary approvals to enter the Star Alliance, although Continental may not be successful, and the time period for doing so may be out of Continental's control. For example, a principal contractual restriction will not terminate until nine months after the closing of the proposed Delta/Northwest merger. Continental intends to transition out of SkyTeam and into the Star Alliance in a customer friendly manner.

Joining the Star Alliance will connect Continental with United and 19 other airlines around the world. Within Star, frequent flyers enjoy reciprocity with respect to both mileage accrual and redemption among the member airlines. The airlines also reciprocally recognize elite status, and provide access to the worldwide network of lounges operated by the Star Alliance airlines.

About the Star Alliance

The Star Alliance network was established in 1997 as the first truly global airline alliance to offer customers worldwide reach and a smooth travel experience. Star Alliance received the Air Transport World Market Leadership Award in 2008 and was voted Best Airline Alliance by Business Traveller Magazine in 2003, 2006 and 2007 and by Skytrax in 2003, 2005 and 2007. The members are Air Canada, Air China, Air New Zealand, ANA, Asiana Airlines, Austrian, bmi, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Shanghai Airlines, Singapore Airlines, South African Airways, Spanair, SWISS, TAP Portugal, Turkish Airlines, THAI, United and US Airways. Regional member carriers Adria Airways (Slovenia), Blue1 (Finland) and Croatia Airlines enhance the global network. Air India and EgyptAir have been accepted as future members. Overall, the Star Alliance network offers nearly 18,000 daily flights to 965 destinations in 162 countries.

About Continental

Continental Airlines provides more than 3,100 flights a day on Continental and Continental Express to more than 280 U.S. and international destinations from its hubs in New York/Newark, Houston, Cleveland and Guam. Continental is the world's fifth largest airline, with routes throughout the Americas, Europe and Asia. With more than 45,000 employees, Continental carries approximately 69 million passengers per year. For more company information, visit continental.com.

About United

United Airlines provides more than 3,200 flights a day on United and United Express to more than 200 U.S. domestic and international destinations from its hubs in Los Angeles, San Francisco, Denver, Chicago and Washington, D.C. With key global air rights in the Asia-Pacific region, Europe and Latin America, United is one of the largest international carriers based in the United States. United's 55,000 employees reside in every U.S. state and in many countries around the world. News releases and other information about United can be found at the company's Web site at united.com.

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This press release contains forward-looking statements that are not limited to historical facts, but reflect the company's current beliefs, expectations or intentions regarding future events. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Examples of such risks and uncertainties include receipt of various regulatory approvals, successful negotiation of documents implementing the planned alliances, Continental exiting certain of its current alliance relationships, and other approvals. Please read Continental's current report on Form 8-K filed on June 19, 2008 for additional information regarding these risks and uncertainties. The company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this press release, except as required by applicable law.