

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): **March 8, 2006**

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))

On March 8, 2006, we provided an update for investors presenting information relating to our financial and operational outlook for the first quarter and full year 2006, as well as other information. The letter is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Investor Update

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.

March 8, 2006

By /s/ Jennifer L. Vogel

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Jennifer L. Vogel

Senior Vice President, General Counsel,

Secretary and Corporate Compliance Officer

EXHIBIT INDEX

99.1 Investor Update

Investor Update

Issue Date: March 8, 2006

Current News

Continental has recently received two prestigious awards directly attributable to its premium product, outstanding employees, and outstanding operational integrity. In early March, the Company was again ranked the top global airline on FORTUNE magazine's annual airline industry list of Most Admired Global Companies. Continental ranked number one in eight of the nine categories measured. This is the third year that Continental has topped that list. Additionally, the Company was rated the most admired U.S. airline on FORTUNE magazine's America's Most Admired Companies airline industry list. The America's Most Admired Companies airline industry list surveys eight areas. Continental was number one in quality of management, quality of products and services, innovation, and social responsibility. These awards are a direct reflection of Continental's employees, who are truly the reason for the Company's success, despite the challenges facing the industry.

As previously announced, Continental expects to record a significant loss for the first quarter of 2006.

Advanced Bookings - Six Week Outlook

Mainline advanced bookings continue to be a bit softer than last year but the Company is comfortable that the gap will close and the mainline load factor for the first quarter will be about flat year-over-year ("yoy"). Continental is seeing many customers book closer to the date of travel, as the many advantages of booking early have been eroded by changes in competitors' fare rules and pricing actions.

Continental expects mainline Domestic first quarter load factor will be up 1.5-2.5 points yoy on 5.5% more capacity yoy, with strong yoy yield improvements.

For the first quarter, the mainline Transatlantic load factor is expected to be down about 3 points yoy on a capacity increase of about 22.5% yoy, with strong yoy yield improvements expected.

Mainline Latin load factor for the first quarter is expected to be about flat yoy on a capacity increase of 9.5%, with solid yoy yield improvements expected.

Mainline Pacific first quarter load factor is expected to be down about 1.5-2.5 points yoy on a capacity increase of about 16% yoy, with yields expected to be down slightly yoy.

Regional first quarter load factor is expected to be up 3-4 points on a capacity increase of 12.4% yoy, with strong yoy yield improvements expected.

Cargo, Mail and Other Revenue

Continental estimates cargo, mail and other revenue will be approximately \$255 million for the first quarter 2006.

Debt and Capital Leases

Debt and capital lease principal payments for the first quarter 2006 are estimated to be approximately \$81 million.

Fuel Hedges

Continental has recently entered into petroleum swap contracts to hedge a minimal portion of our projected 2006 fuel requirements.

Tax Sharing Agreement with ExpressJet Holdings, Inc.

Continental expects to record income of approximately \$26 million for the full year 2006 (approximately \$6.5 million per quarter) related to the tax sharing agreement with ExpressJet. For more information regarding this tax sharing agreement, please see our 2005 Form 10-K.

Targeted Cash Balance

Continental anticipates ending the first quarter 2006 with an unrestricted cash and short-term investments balance of between \$1.9 and \$2.0 billion.

Operating Statistics

<u>ASMs (Available Seat Miles)</u>	2006 Estimated	
	<u>Year-over-Year %Change</u>	
	<u>1st Qtr.(E)</u>	<u>Full Year(E)</u>
Domestic	5.5%	4.7%
Latin America	9.5%	11.5%

Transatlantic	22.5%	15.0%
Pacific	16.0%	7.0%
Total Mainline	10.3%	8.1%
Regional	12.4%	11.4%
Consolidated	10.5%	8.5%

Load Factor	<u>2006 Estimate</u>	
	<u>1st Qtr.(E)</u>	<u>Full Year(E)</u>
Continental	77 - 78%	80 - 81%
Regional	74 - 75%	76 - 77%

Mainline Operating Statistics	<u>2006 Estimate (cents)</u>	
	<u>1st Qtr.(E)</u>	<u>Full Year(E)</u>
CASM	10.34 - 10.39	10.38 - 10.43
Aircraft Fuel & Related Taxes per ASM	2.86	3.04
CASM Less Aircraft Fuel & Related Taxes (a)	7.48 - 7.53	7.34 - 7.39

Consolidated Operating Statistics*	<u>2006 Estimate (cents)</u>	
	<u>1st Qtr.(E)</u>	<u>Full Year(E)</u>
CASM	11.22 - 11.27	11.23 - 11.28
Aircraft Fuel & Related Taxes per ASM	3.07	3.28
CASM Less Aircraft Fuel & Related Taxes (a)	8.15 - 8.20	7.95 - 8.00

*Consolidated is defined as mainline plus regional.

Fuel Gallons Consumed	<u>2006 Estimate</u>	
	<u>1st Qtr.(E)</u>	<u>Full Year(E)</u>
Mainline	346 Million	1,452 Million
Regional	75 Million	329 Million
Fuel Price per Gallon (including fuel taxes)	\$1.90	\$2.03

Selected Expense Amounts	<u>2006 Estimated Amounts (\$Millions)</u>	
	<u>1st Qtr.(E)</u>	<u>Full Year(E)</u>
Aircraft Rent	\$245	\$996
Landing Fees & Other Rentals	\$185	\$754
Depreciation & Amortization	\$95	\$387
Net Interest Expense	\$73	\$271

Continental Airlines, Inc. Tax Computation

Due to accumulated losses, Continental has stopped recording income tax benefit on current and future book losses.

Cash Capital Expenditures	<u>2006 Estimate</u>
	<u>(\$Millions)</u>
Fleet Related*	\$155
Non-Fleet	100
Rotable Parts & Capitalized Interest	45
Total	\$300
Net Purchase Deposits	25
Total Cash Capital Expenditures	\$325

*The \$72 million increase from the Investor Update release January 17, 2006, in Fleet Related Cash Capital Expenditures is primarily related to acceleration of winglet installations.

EPS Estimated Share Count

Share count estimates for calculating basic and diluted earnings per share at different income levels are as follows:

First Quarter 2006 (Millions)

Quarterly Earnings Level	Number of Shares		Interest Addback
	Basic	Diluted	
Over \$93	86.6	111.3	\$8.5
Between \$50 - \$93	86.6	107.1	\$4.8
Between \$17 - \$49	86.6	102.1	\$2.3
Under \$17	86.6	90.0	--
Net Loss	86.6	86.6	--

Full Year 2006 (Millions)

Year-to-Date Earnings Level	Number of Shares		Interest Addback
	Basic	Diluted	
Over \$249	87.9	110.2	\$23.0
Between \$132 - \$249	87.9	106.1	\$12.8
Between \$64 - \$131	87.9	101.1	\$6.1
Under \$64	87.9	92.3	--
Net Loss	87.9	87.9	--

These share counts are based upon several assumptions including market stock price and number of shares outstanding. The number of shares used in the actual EPS calculation will likely be different from those set forth above.

This update 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. For examples of such risks and uncertainties, please see the risk factors set forth in the company's 2005 10-K and its other securities filings, including any amendments thereto, which identify important matters such as the consequences of its significant financial losses and high leverage, terrorist attacks, domestic and international economic conditions, the significant cost of aircraft fuel, labor costs, competition, and industry conditions, including the demand for air travel, the airline pricing environment and industry capacity decisions, regulatory matters and the seasonal nature of the airline business. 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 update.

[tables attached]

Reconciliation of GAAP to Non-GAAP Financial Information (millions except CASM data)

Mainline	<u>1st Qtr. Range(E)</u>		<u>Full Year Range(E)</u>	
Operating Expenses - GAAP	\$ 2,377	\$ 2,389	\$ 10,059	\$ 10,108
Special Items	=	=	=	=
Operating Expenses Excluding Special Items - Non-GAAP	\$ 2,377	\$ 2,389	\$ 10,059	\$ 10,108
Aircraft Fuel & Related Taxes	(657)	(657)	(2,948)	(2,948)
Operating Expenses Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (a)	\$ 1,720	\$ 1,732	\$ 7,111	\$ 7,160
ASMs (millions)	22,992	22,992	96,910	96,910
<u>Mainline CASM (cents)</u>				
CASM-GAAP	10.34	10.39	10.38	10.43
Special Items	-	-	-	-
CASM Excluding Special Items - Non-GAAP	10.34	10.39	10.38	10.43
Aircraft Fuel & Related Taxes per ASM	2.86	2.86	3.04	3.04
CASM Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (a)	7.48	7.53	7.34	7.39

Consolidated (Mainline plus Regional)

1st Qtr. Range(E)

Full Year Range(E)

Operating Expenses - GAAP	\$ 2,925	\$ 2,938	\$ 12,381	\$ 12,436
Special Items	=	=	=	=
Operating Expenses Excluding Special Items - Non-GAAP	\$ 2,925	\$ 2,938	\$ 12,381	\$ 12,436
Aircraft Fuel & Related Taxes	(800)	(800)	(3,615)	(3,615)
Operating Expenses Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (a)	\$ 2,125	\$ 2,138	\$ 8,766	\$ 8,821
ASMs (millions)	26,072	26,072	110,250	110,250
<u>Consolidated CASM (cents)</u>				
CASM-GAAP	11.22	11.27	11.23	11.28
Special Items	-	-	-	-
CASM Excluding Special Items - Non-GAAP	11.22	11.27	11.23	11.28
Aircraft Fuel & Related Taxes per ASM	3.07	3.07	3.28	3.28
CASM Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (a)	8.15	8.20	7.95	8.00

(a) Cost per available seat mile excluding fuel, related taxes and special items is computed by multiplying fuel price per gallon, including fuel taxes, by fuel gallons consumed and subtracting that amount from operating expenses then dividing by available seat miles. This statistic provides management and investors the ability to measure and monitor Continental's cost performance absent special items and fuel price volatility. Both the cost and availability of fuel are subject to many economic and political factors and therefore are beyond our control.