

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):

January 10, 2002

CONTINENTAL AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-09781

74-2099724

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

1600 Smith Street, Dept. HQSEO, Houston, Texas

77002

(Address of principal executive offices)

(Zip Code)

(713) 324-2950

(Registrant's telephone number, including area code)

Item 5. Other Events.

On January 10, 2002, Continental Airlines, Inc. issued a press release announcing that it has recorded a special charge of \$39 million (\$61 million before taxes) in the fourth quarter of 2001 associated primarily with the impairment of various owned aircraft and spare engines. The press release is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

a. Exhibits

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.

By /s/ Jennifer L. Vogel _____

Jennifer L. Vogel

Vice President and General Counsel

January 10, 2002

EXHIBIT INDEX

1. Press Release

**Continental
Airlines**  **News Release**

Contact: Corporate Communications

Houston: 713.324.5080

Email: corpcomm@coair.com

News archive: continental.com/news/ **Address:** P.O. Box 4607, Houston, TX 77210-4607

CONTINENTAL AIRLINES WILL RECORD FOURTH QUARTER

SPECIAL CHARGE OF \$39 MILLION

HOUSTON, January 10, 2002 -- Continental Airlines (NYSE: CAL) today announced it will record a special charge of \$39 million (\$61 million before taxes) in the fourth quarter of 2001 associated primarily with the impairment of various owned aircraft and spare engines. In accordance with applicable accounting standards, the company records impairment losses on owned assets when circumstances indicate that the assets might be impaired and the expected cash flows are not sufficient to recover the carrying value of the assets, resulting in a write-down of the assets to their fair value. The aircraft in the impairment include all of the company's owned DC-10-30, ATR-42, EMB-120, and Boeing 747 and 727 aircraft. The charge is not related to the permanent grounding of aircraft.

In the fourth quarter, the Company will also record \$174 million of compensation pursuant to the Air Transportation Safety and System Stabilization Act, resulting in a total of \$417 million of compensation pursuant to such Act for 2001.

Continental Airlines will release fourth quarter financial results on January 16, 2002.

###

02004