

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): **October 28, 2004**

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 7.01. Regulation FD Disclosure.

We are furnishing herewith information being presented by certain of our executive officers on October 28, 2004 to the Society of Airline Analysts.

An audio webcast of their remarks to the Society of Airline Analysts and accompanying graphic presentation will be made available on our website at www.continental.com/company under the Investor Relations - Investor Presentation section beginning

October 28, 2004.

The information presented contains forward-looking statements that are not limited to historical facts, but reflect our 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 statement. For examples of such risks and uncertainties, please read the risk factors set forth in our most recently filed Annual Report on Form 10-K and our other securities filings, which identify important risks and uncertainties such as terrorist attacks and international hostilities, our recent losses, our high leverage and significant financing needs, the significant cost of aircraft fuel, labor costs, competition and industry conditions including the growth of low cost carriers, demand for airline travel, airline pricing environment and industry capacity decisions, security requirements, regulatory matters, and the seasonal nature of the airline business (the second and third quarters are generally stronger than the first and fourth quarters), that could cause actual results to differ materially from those in the forward-looking statements. In addition to the foregoing risks, there can be no assurance that we will be able to achieve the pre-tax contributions from the revenue-generating and cost-reducing initiatives discussed in the presentation. We undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this report.

Item 9.01. Financial Statements and Exhibits.

a. Exhibits

99.1 Presentation Information

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.

October 28, 2004

By /s/ Jennifer L. Vogel

Jennifer L. Vogel

Senior Vice President, General Counsel
and Secretary

EXHIBIT INDEX

99.1 Presentation Information

**The Society of Airline Analysts
October 28, 2004**



Continental Airlines

Please note that the discussion today contains forward-looking statements that are not limited to historical facts, but reflect the company's current beliefs, expectations or intentions regarding future events. Actual results could differ materially from those described in the forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained in the company's Form 10-K and other securities filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this presentation.

Unless otherwise noted, all statistics are for mainline operations, excluding regional jets.

In this presentation we discuss non-GAAP financial measures such as Cost Per Available Seat Mile excluding special charges. Comparable GAAP financial measures and a reconciliation of GAAP financial measures to non-GAAP financial measures will be presented at the end of this presentation.



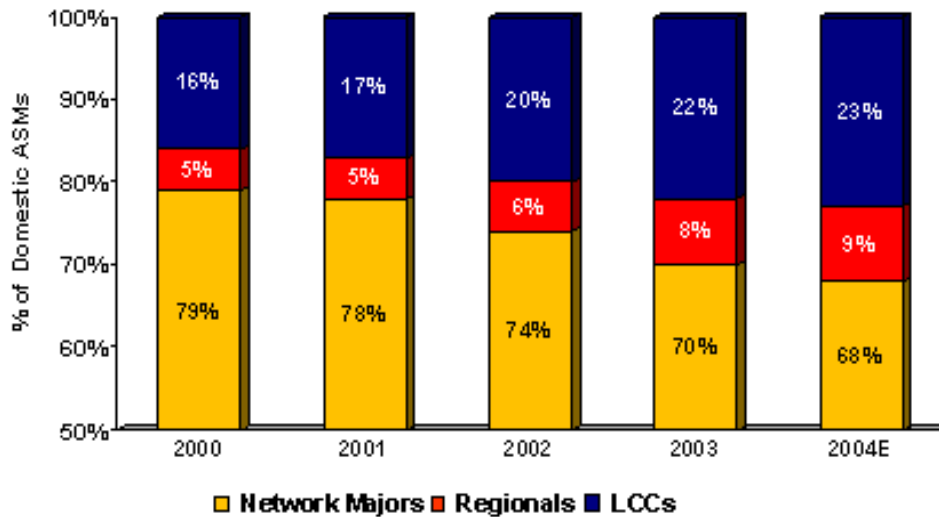
Gordon Bethune
Chairman & CEO

Intense Challenges Facing the Industry

- **Increased competition, excess supply, weak revenue environment**
- **High fuel prices**
- **Burdensome taxes, fees and security costs**

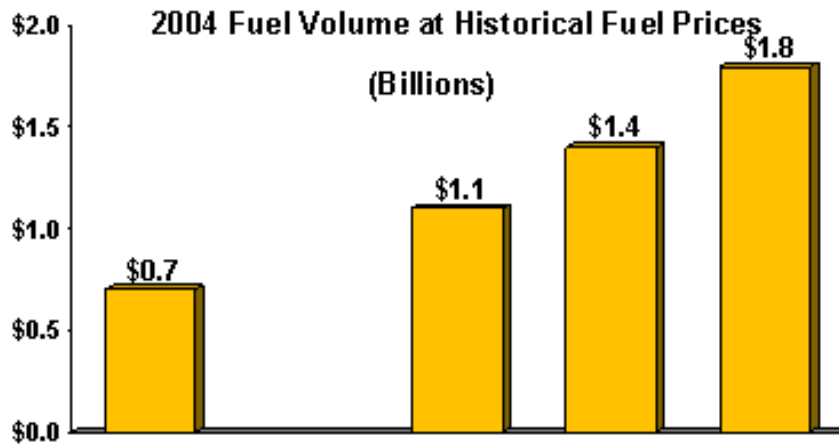
LCCs Expanded Growth

Domestic Market Share



Network major airlines include ALK, AMR, CAL, DAL, NWAC, UAIR, and UAL; LCCs include AAI, ATA, ANA, FRNT, JB LU, & LUV
 Regionals include AMR Eagle, ASA, ACA, COMAIR, Continental Express, Mesa, Mesaba, Pinnacle, SkyWest & US Express
 ASM data derived from information disclosed in SEC filings, news releases, and earnings calls

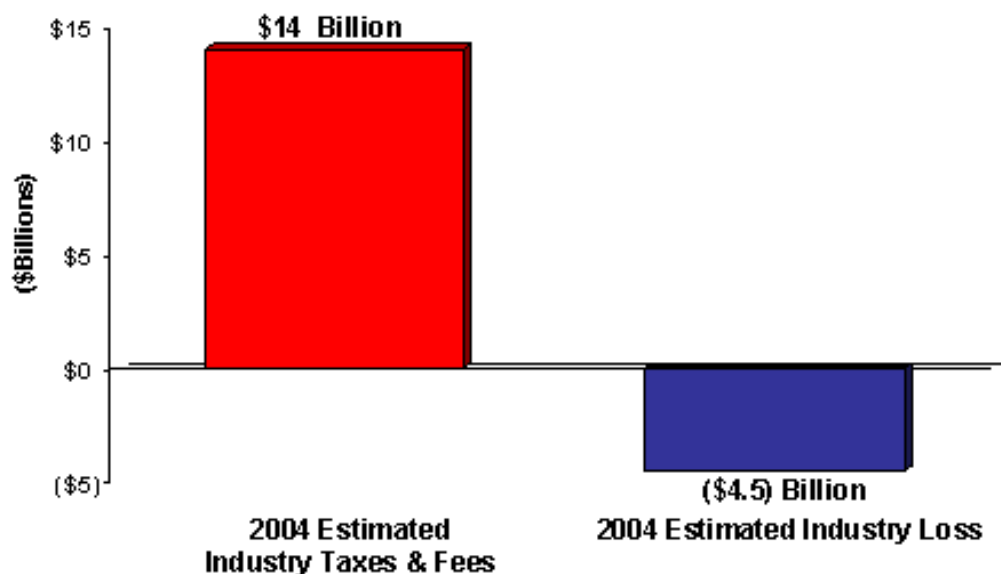
Record High Fuel Prices Significantly Impact Pre-Tax Profit



| Average Fuel Price per Gallon (cents) | 46.83 | 69.97 | 87.18 | 113.07 |
|---------------------------------------|-------|-------|-------|--------|
| Year | 1998 | 2002 | 2003 | 2004E |

2004E consolidated fuel gallon consumption at respective annual average fuel price per gallon, excluding related fuel taxes.

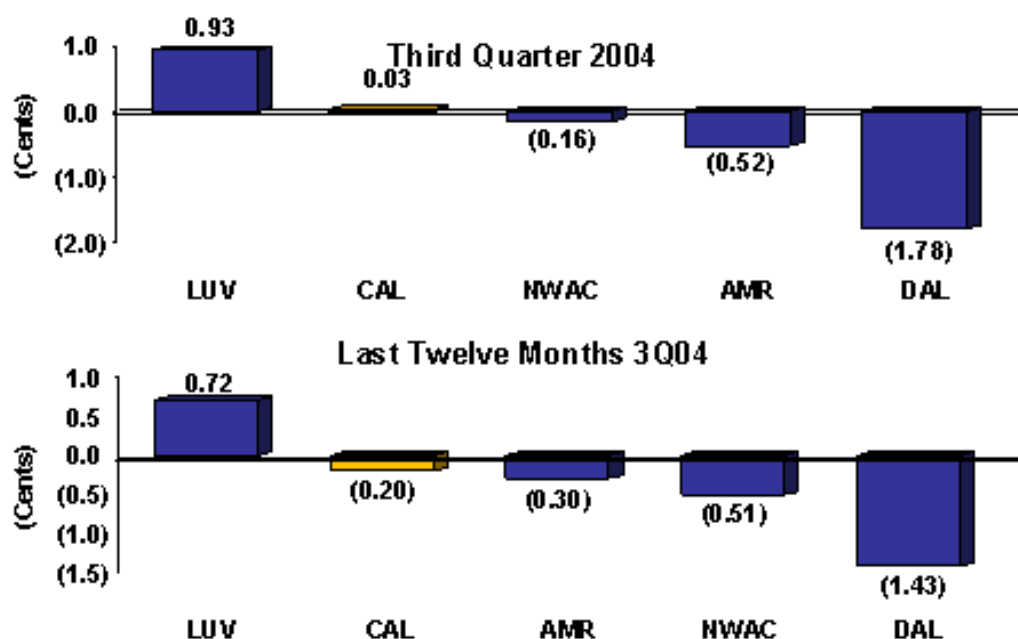
Exorbitant Fees & Non-Income Related Taxes Levied on the Airline Industry



Source: Air Transport Association testimony to U.S. House of Representatives Subcommittee on Aviation (Industry Taxes & Fees); Various analyst reports (Industry Loss)

Continental's Relative Performance Remains Strong

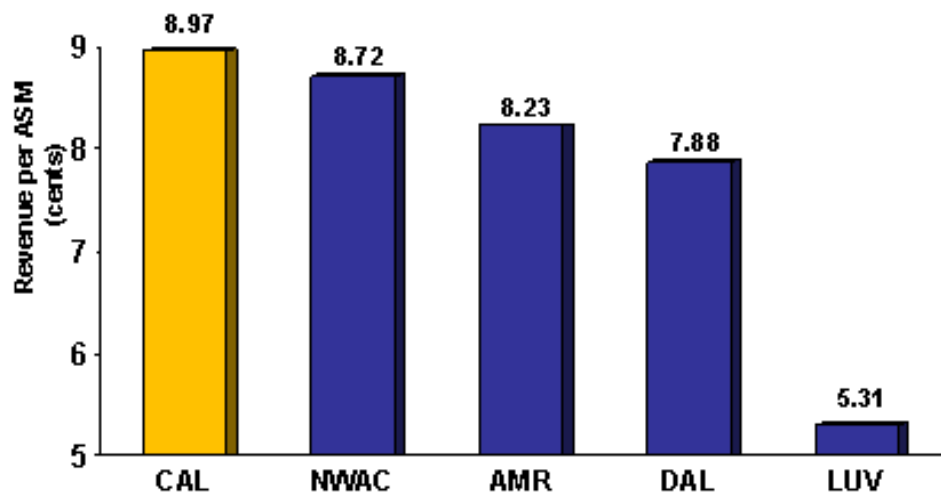
Pre-Tax Profit/(Loss) per Available Seat Mile



Consolidated company data reflected; Excludes certain special items; UAIR & UAL 3Q results not yet available.

Better than Industry System RASM

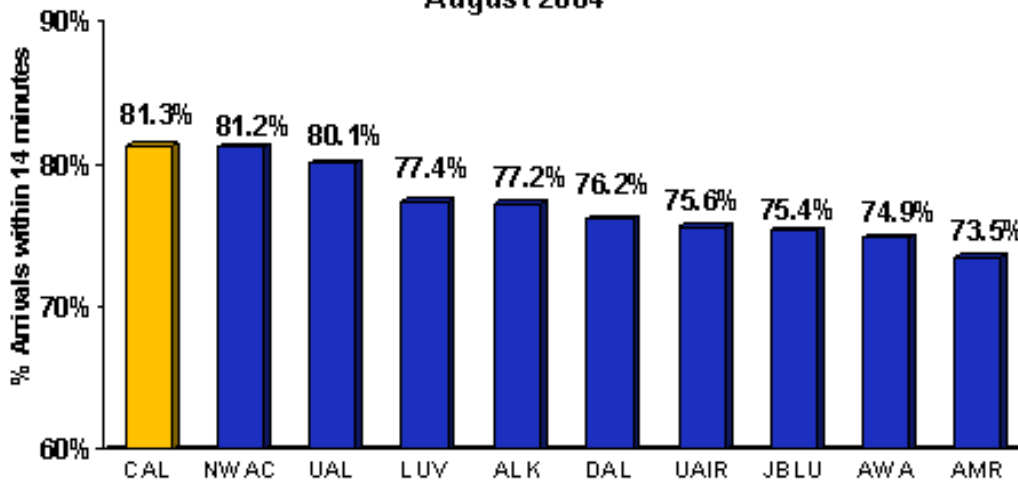
Third Quarter 2004
(Length of Haul Adjusted)



Length of haul adjusted to CAL's 3Q04 system LOH of 1632; UAIR & UAL 3Q results not yet available. RASM data derived from information disclosed in SEC filings.

Excellent On-Time Performance

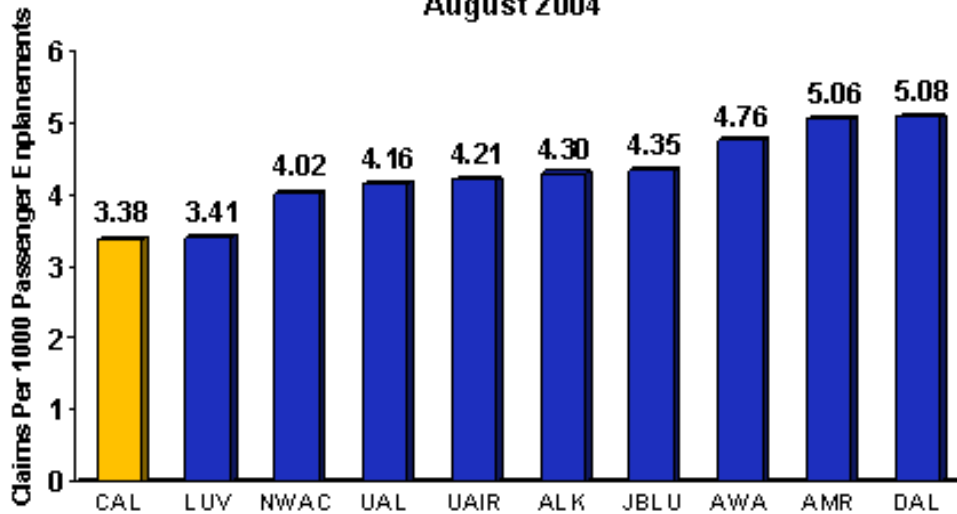
August 2004



*Top 10 US Carriers based on August 2004 revenue passenger miles shown. Source: D.O.T Air Traffic Consumer Report (% On-Time)

Best in Baggage Delivery

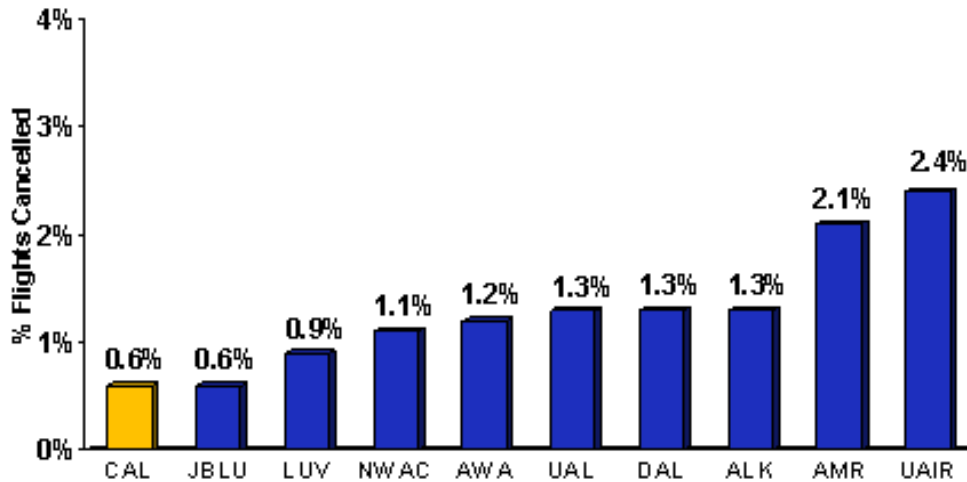
August 2004



*Top 10 US Carriers (based on August 2004 revenue passenger miles) shown
Source: D.O.T. Air Traffic Consumer Report

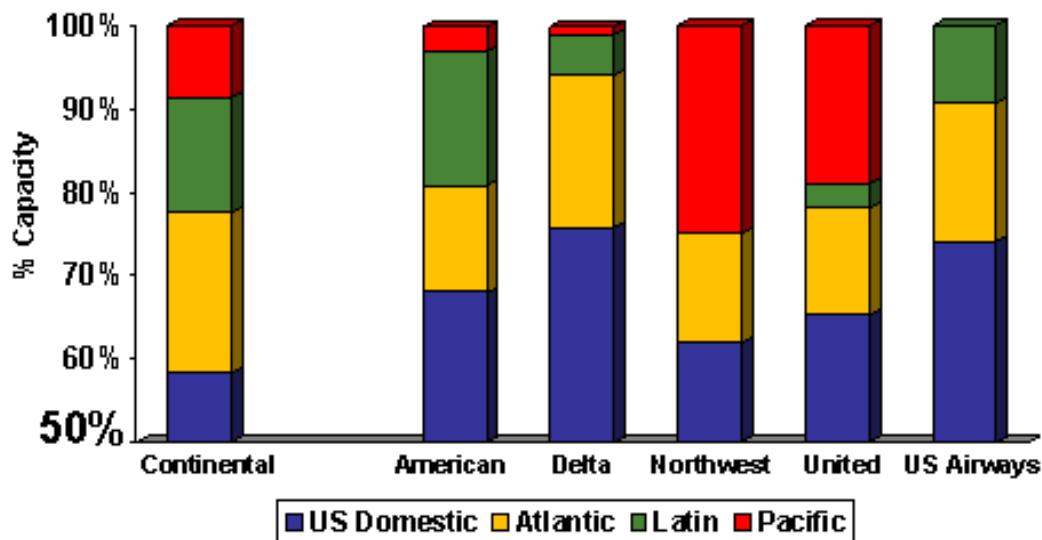
Low Cancellation Rate

August 2004



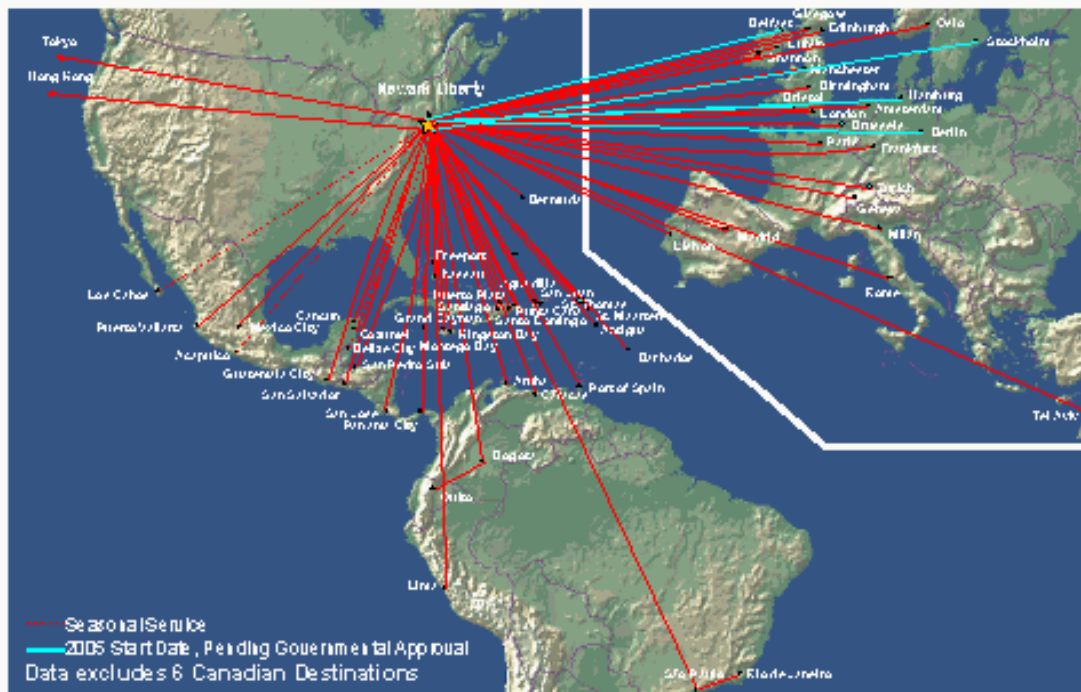
*Top 10 US Carriers (based on August 2004 revenue passenger miles) shown
Source: D.O.T. Air Traffic Consumer Report

Focus on International Flying Being Globally Well-Balanced Mitigates a Weak Domestic Environment



Source : Company Reports

Uniquely Positioned to Grow International Network at New York/Liberty International



Increasing our Global Network

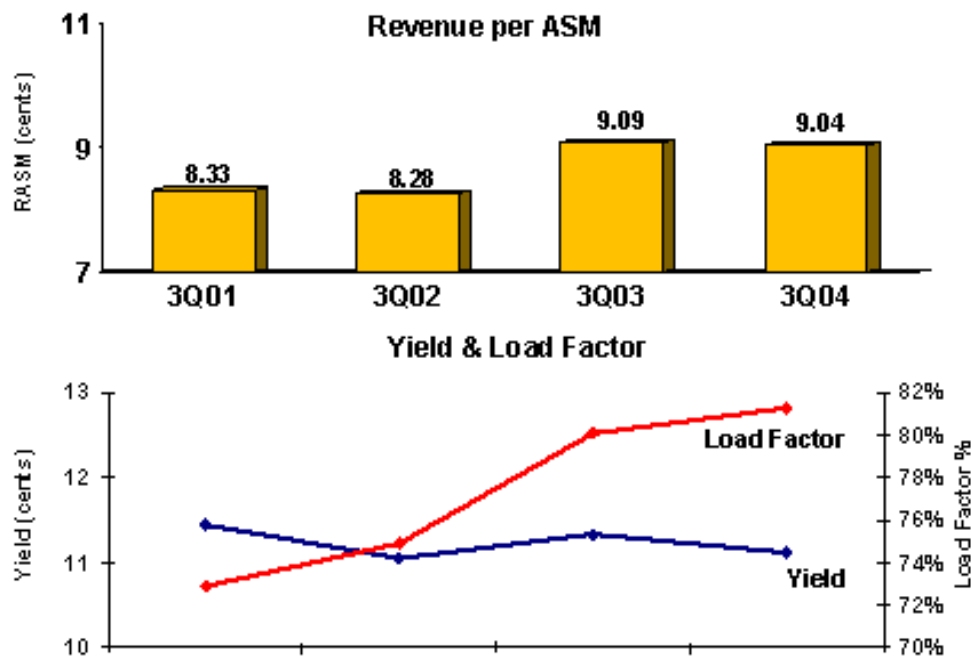
Official Member of SkyTeam

-giving customers a broad choice of 658 global destinations in more than 130 countries



Jeff Misner Executive VP & CFO

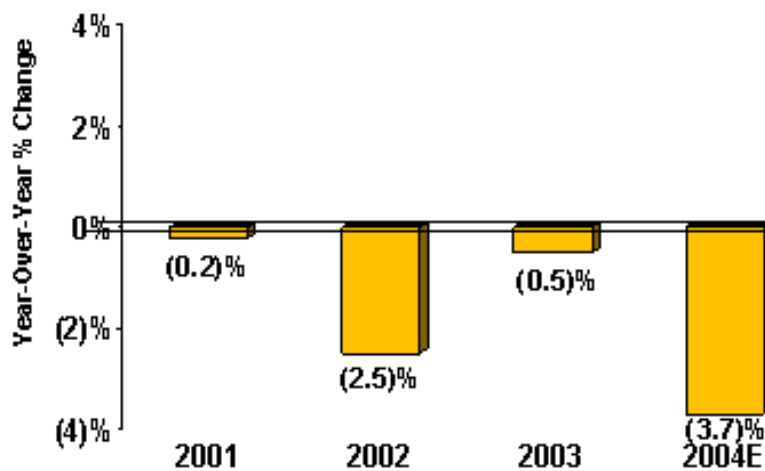
Domestic Revenue Environment



RASM and Yield (right of bar) adjusted to CAL's 3Q04 domestic LOH 1225

Continued Focus on Cost Containment

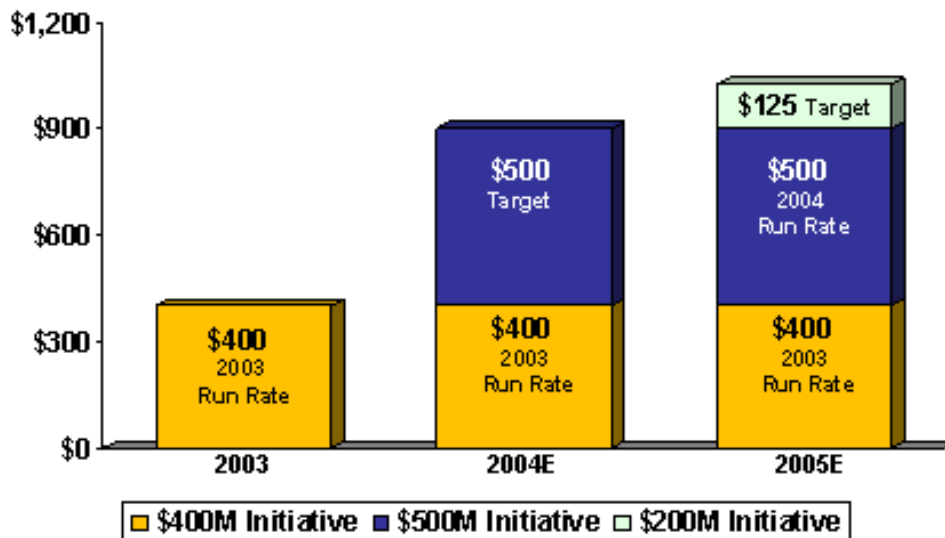
Cost per Available Seat Mile Holding Fuel Rate Constant



Data excludes special items

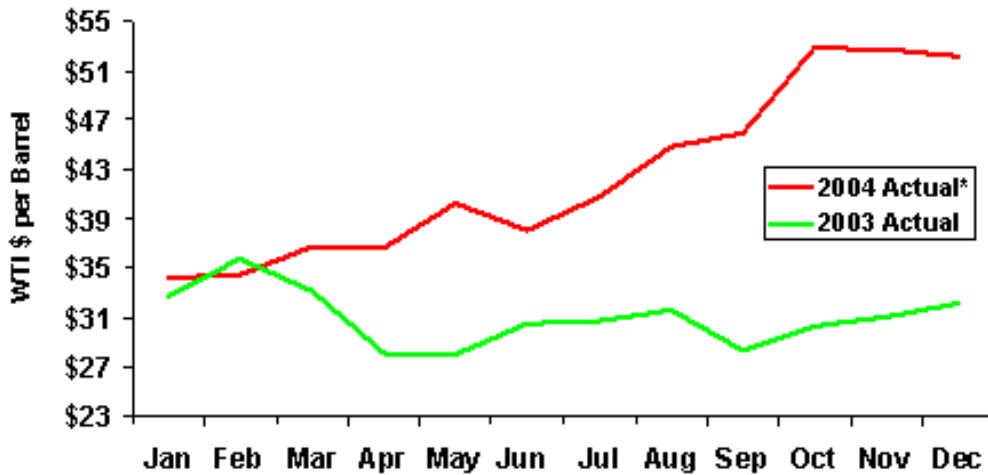
Substantial Progress on Cost Savings Initiatives

Revenue Generating/Cost Saving Initiatives
Pre-Tax Net Benefit (\$Millions)



Consolidated company data reflected for 2003

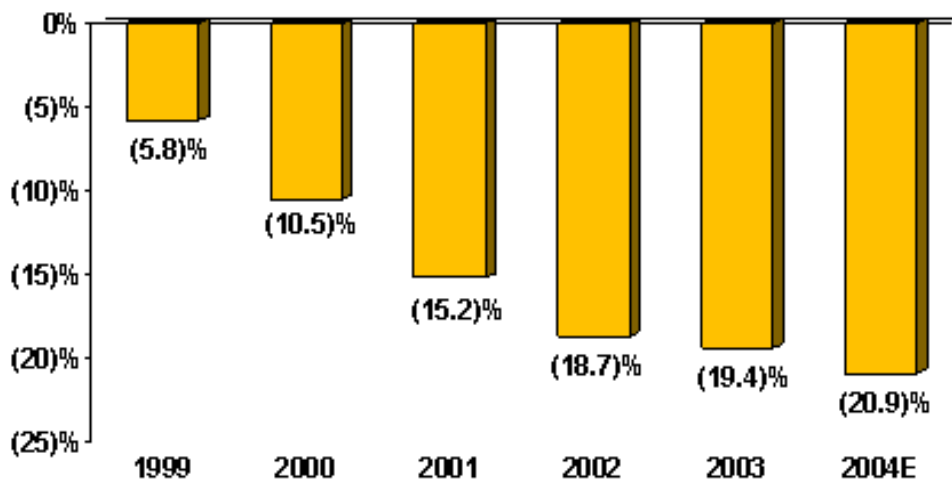
2004 Fuel Costs Estimated to be More than \$400 Million Worse than 2003 (Includes approximately \$100M of fuel hedge benefits)



*Based on 2004 E consolidated fuel gallon consumption; fuel cost per gallon estimates exclude related taxes on fuel

Young Fleet is Fuel Efficient

% Change in Consumption per ASM vs. 1998



Successful Rate Renegotiation with ExpressJet

Strong Partnership Continues



- Prevailing margin remains at 10%
 - Completion factor incentives may drive margin above 10%
 - ExpressJet will not be penalized for a controllable completion factor above 99.5%
- Scheduled block hour rates approximately 2% lower than estimated 2004 cost

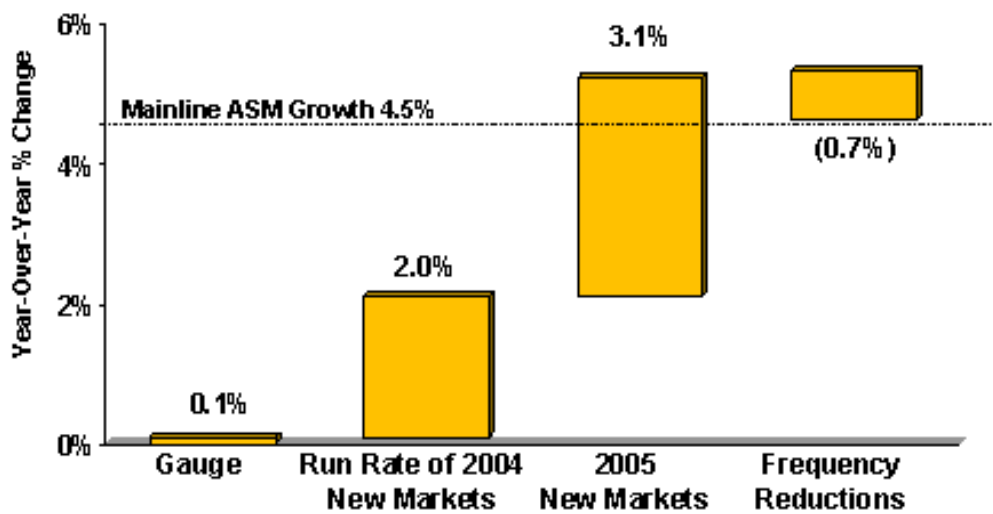
Labor Cost Landscape

- US Air – Precedent set, cannot be ignored by others.
- United – In the midst of Round 2.
- American – Questions regarding possibility of Round 2.
- Northwest – Recently announced compromise tentative agreement with pilots, other groups to follow.
- Delta – Proposed cuts potentially not adequate.
- Continental – “Competitive” labor rates are being defined. We’ll be ready to negotiate the appropriate adjustments at the appropriate time.

Continental is committed to achieving a competitive CASM.

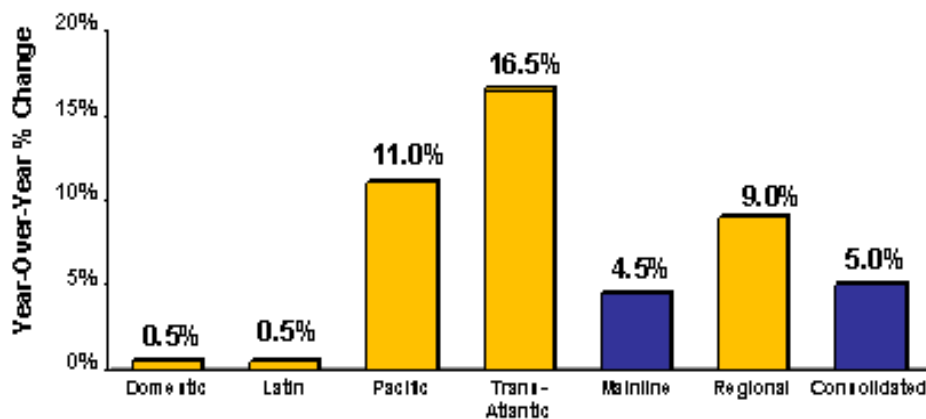
2005 Mainline Capacity Growth Primarily Attributable to International Markets

Mainline Full Year 2005E Capacity Increase



2005 Focus on International Growth

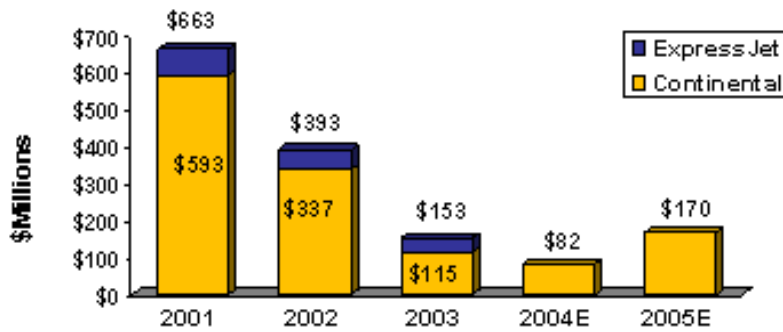
Full Year 2005E



Long Term Infrastructure Projects Financed

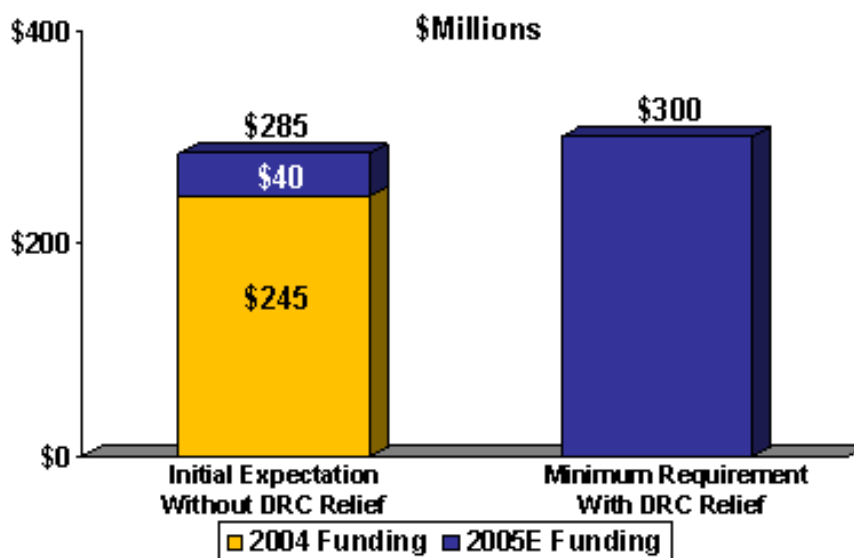
- 247 New Boeing Aircraft (1997-2004), \$10.1 Billion at effective interest rate of approximately 6.2%
- Newark Liberty Global Gateway, \$978 Million at 6.60%
- Houston Terminals B/C/E, \$559 Million at 6.63%
- Cleveland Terminal D, \$75 Million at 5.59%

Cash Capital Expenditures



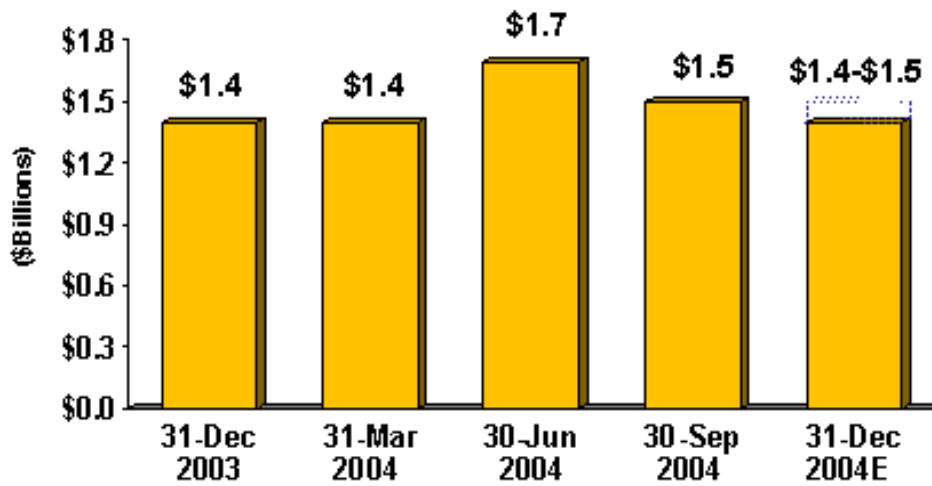
Cash Capex includes fleet to replace deposits, non-fleet items, rottable parts and capitalized interest.

2004 – 2005 Pension Funding Requirements



Liquidity Remains Strong

Unrestricted Cash and Short-Term Investments



Data includes cash and short-term investments, excludes restricted cash

Non-GAAP to GAAP Reconciliations

Non-GAAP to GAAP Reconciliation

Third Quarter 2004 Consolidated Income / (Loss) before Income Taxes and Minority Interest (Pre-Tax Profit/(Loss)) per Available Seat Mile (ASM):

| (\$Millions) | LUY | CAL | NWAC | AMH | DAL |
|--------------------------------------|---------------|---------------|----------------|-----------------|-----------------|
| Pre-Tax Profit/(Loss) | | | | | |
| GAAP | \$ 131 | \$ (18) | \$ (93) | \$ (214) | \$ (852) |
| Special Items Excluded | - | 22 | - | (13) | 54 |
| Non-GAAP | \$ 131 | \$ 8 | \$ (93) | \$ (227) | \$ (798) |
| ASMs - Marine (Millions) | 13,428 | 21,373 | 22,314 | 44,515 | 32,518 |
| Pre-Tax Profit/(Loss) per ASM | | | | | |
| GAAP (cents) | 0.98 | (0.07) | (0.48) | (0.48) | (1.94) |
| Non-GAAP (cents) | 0.98 | 0.03 | (0.48) | (0.52) | (1.78) |

*These financial measures provide management and investors the ability to measure and monitor the industry's performance on a consistent basis.

Non-GAAP to GAAP Reconciliation

Last Twelve Months 3Q04 Consolidated Income / (Loss) before Income Taxes and Minority Interest (Pre-Tax Profit/(Loss)) per Available Seat Mile (ASM):

| (\$Millions) | LUY | CAL | AMH | NWAC | DAL |
|--------------------------------------|---------------|-----------------|-----------------|-----------------|-------------------|
| Pre-Tax Profit/(Loss) | | | | | |
| GAAP | \$ 302 | \$ (133) | \$ (565) | \$ (88) | \$ (2,191) |
| Special Items Excluded | 41 | (23) | 47 | (33) | 259 |
| Non-GAAP | \$ 343 | \$ (180) | \$ (518) | \$ (121) | \$ (1,932) |
| ASMs - Marine (Millions) | 14,324 | 23,327 | 17,457 | 23,133 | 123,080 |
| Pre-Tax Profit/(Loss) per ASM | | | | | |
| GAAP (cents) | 0.87 | (0.17) | (0.32) | (0.07) | (1.71) |
| Non-GAAP (cents) | 0.72 | (0.20) | (0.30) | (0.51) | (1.49) |

*These financial measures provide management and investors the ability to measure and monitor the industry's performance on a consistent basis.

Non-GAAP to GAAP Reconciliation

Third Quarter Length of Haul Adjusted Revenue per Available Seat Mile (RASIM):

*RASIM formula: Yield * Load Factor*

*Length of Haul (LOH) formula: (Revenue Passenger Miles (RPMs)/Enplanements) * 1000.*

*LOH Adjusted RASIM formula: RASIM * (Carrier's LOH / CAL's LOH) * 0.5*

| | Yield (¢/lb) | Load Factor% | RASIM (¢/lb) | RPMs (Millions) | Enplanements (Thousands) | LOH | LOH Adjusted RASIM * |
|------|-----------------|-----------------|-----------------|--------------------|-----------------------------|-------|----------------------------|
| CAL | 11.00 | 81.5% | 8.97 | 17,923 | 10,984 | 1,632 | 8.97 |
| NWAC | 11.63 | 82.9% | 9.64 | 19,744 | 14,798 | 1,334 | 8.72 |
| AMR | 11.07 | 77.9% | 8.62 | 34,659 | 23,319 | 1,486 | 8.23 |
| DAL | 11.72 | 78.7% | 9.23 | 26,438 | 22,203 | 1,191 | 7.88 |
| LUV | 11.38 | 72.7% | 8.27 | 14,164 | 21,103 | 671 | 5.31 |

Source: Company reports

*These financial measures provide management and investors the ability to measure and monitor the industry's performance on a comparable basis.

Non-GAAP to GAAP Reconciliation

CASM Holding Fuel Rate Constant to the Prior Year (CASM HFRC) – Mainline Jet

Operating Cost per ASIM adjusting average fuel price per gallon for the period to equal the average fuel price per gallon for the corresponding period in the prior year. Note: All amounts are for the mainline jet segment.

| <i>(Millions)</i> | 2003 | 2002 | 2001 |
|--|---------|---------|---------|
| Operating Expenses – GAAP | \$7,334 | \$7,640 | \$7,792 |
| Adjustment for Fuel Rate | (216) | 99 | 74 |
| Operating Expenses HFRC – Non-GAAP | \$7,118 | \$7,739 | \$7,866 |
| Special Items Excluded | 73 | (251) | 301 |
| Operating Expenses HFRC Excluding Special Items – Non-GAAP | \$7,191 | \$7,488 | \$8,167 |
| | | | |
| CASM HFRC (¢/lb) – Non-GAAP | 9.08 | 9.65 | 9.31 |
| CASM HFRC Excluding Special Items* (¢/lb) – Non-GAAP | 9.17 | 9.34 | 9.67 |
| | | | |
| Corresponding Prior Year Period | | | |
| CASM Excluding Special Items (¢/lb) – Non-GAAP * | 9.22 | 9.58 | 9.68 |

*These financial measures provide management and investors the ability to measure and monitor Continental's performance on a consistent basis.



Continental Airlines

Focusing on Our Core Strategic Strengths

- **Dedicated, productive workforce and employee relations that are the envy of the industry**
- **Modern facilities in strategically located hubs**
- **Young, fuel-efficient fleet offers permanent fuel savings (21% fuel burn savings over 1998 = approx. \$400M)**
- **Most consistent, reliable product in the U.S.**
- **RASM premium (since 1998)**
- **Sky Team membership completes strong global network and ensures long-term access to worldwide markets**
- **Continental is committed to achieving a CASM that is competitive with the industry**

