

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):

April 16, 2002

CONTINENTAL AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

0-09781

(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)

Item 5. Other Events.

On April 16, 2002, Continental Airlines, Inc. ("Company") provided a letter to analysts and other parties presenting certain information relating to its financial and operational outlook for 2002, which is filed herewith as Exhibit 99.1 and incorporated herein by reference.

Item 7. Financial Statements and Exhibits

a. Exhibits

1. Letter to Analysts

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

April 16, 2002

EXHIBIT INDEX

1. Letter to Analysts

**Diane Dayhoff**

Staff Vice President Finance
1600 Smith Street, HSQII
Houston, Texas 77002

April 16, 2002

Dear Investors and Analysts:

Today Continental reported a first quarter net loss of \$114 million (\$1.79 diluted loss per share) excluding a previously announced special charge of \$52 million (\$83 million before tax).

Continental ended the first quarter with approximately \$1.2 billion in cash and short-term investments, including \$147 million of restricted cash related to an aircraft financing transaction. We anticipate that we will end second quarter 2002 with a cash balance of approximately \$1.3 billion. This estimated cash balance includes an anticipated tax refund of \$39 million, receipt of the remaining grant under the Air Transportation Safety and System Stabilization Act of approximately \$63 million, and a portion of our expected proceeds from the ExpressJet Holdings, Inc. initial public offering. We expect to contribute \$150 million of such proceeds to fund a portion of our obligation to the Continental employee pension plan. Our cash balance target for year-end 2002 is \$1.5 billion. Updated guidance for several operating and financial statistics for second quarter and full year 2002 can be found on Attachment A.

Continental ended the quarter with 364 jet aircraft (excluding regional jets) in service. Our Fleet Plan for 2002 and 2003 is outlined on Attachment B.

Also of note, we have unveiled our new international arrivals facility at Newark International Airport. This is the last major milestone of our global gateway project. With the addition of this new customs and immigration hall, Continental's arriving international passengers will be able to seamlessly transfer to connecting domestic flights without ever leaving Terminal C.

Additional information regarding Continental (recent press releases and investor presentations) can always be found on our website at www.continental.com/corporate. If you should have any questions regarding this information, please do not hesitate to contact us.

Sincerely,

Diane Dayhoff

This letter contains forward-looking statements that are not limited to historical facts, but reflect our current beliefs, expectations or intentions regarding future events. In connection therewith, please see the risk factors set forth in our 2001 10-K and our other securities filings, which identify important matters such as terrorist attacks and the resulting regulatory developments and costs, our recent operating losses and special charges, our high leverage and significant financing needs, our historical operating results, the significant cost of aircraft fuel, labor costs, certain tax matters, the Japanese economy and currency risk, competition and industry conditions, regulatory matters and the seasonal nature of the airline business, that could cause actual results to differ materially from those in the forward-looking statements.

Continental Airlines' Quarterly Update

2002 Estimated

Year-over-Year Percentage Change

ASMs	<u>1st Qtr.</u> (A)	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
Domestic	(11)%	(12)%	
Latin America	(7)%	(2)%	
Europe	(17)%	(4)%	
Pacific	(11)%	(14)%	
System	(12)%	(10)%	(6) - (5)%
Continental Express	10%	9%	15%

2002 Estimate

Load Factor	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
Continental	75 - 76%	75 - 76%
Continental Express	66 - 67%	68 - 69%

2002 Estimated Year-over-Year Change

Jet Operating Statistics	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
CASM	0 - 1%	1 - 2%
CASM Holding Fuel Price Constant	1 - 2%	2 - 3%
Fuel Gallons Consumed	(16) - (15)%	(11) - (10)%
Fuel Price (excluding fuel taxes)	71 - 73 cents	69 - 72 cents

2002 Estimated Amounts

Financial	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
Aircraft Rent	\$230 Million	\$925 Million
Net Interest Expense	\$80 Million	\$310 Million
Dividends on Preferred Stock of Trust	\$2.4 Million	\$9.6 Million
-	% of Volume	Average
	<u>Hedged</u>	<u>Strike Price of Caps</u>
Fuel Hedges 2002		
Second Quarter	75%	\$25 - \$26/Barrel
Third Quarter	25%	\$25/Barrel
Fourth Quarter	25%	\$25/Barrel

Full Year (Average 2Q - 4Q) 42%

Cash Capital Expenditures

2002 Estimated Amounts

Fleet (net of purchase deposits)	\$50 Million
Non-Fleet	\$200 Million

EPS Estimated Share Count

Share count estimates for calculating basic and diluted earnings per share at different income levels for first quarter and full year 2002 are as follows:

Second Quarter 2002 (Millions)

Quarterly	Number of Shares		
<u>Earnings Level</u>	<u>Basic</u>	<u>Diluted</u>	<u>Interest Addback</u>

Over \$34.8	63.7	73.0	\$3.5
Between \$16.9 - \$34.8	63.7	68.8	\$1.3
Under \$16.9	63.7	63.7	--

Full Year 2002 (Millions)

Year-to-date <u>Earnings Level</u>	Number of Shares		<u>Interest Addback</u>
	<u>Basic</u>	<u>Diluted</u>	
Over \$136.9	63.9	73.1	\$13.8
Between \$66.0 - \$136.9	63.9	68.9	\$5.2
Under \$66.0	63.9	63.9	--

These share count charts 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.

Continental Airlines In-Service Jet Fleet Plan

Includes Continental, Continental Micronesia and Continental Express Regional Jets

March 31, 2002

Jet	Total @	Net Inductions and Exits		Total @
	YE 2001	2002E	2003E	YE 2003E
777-200	16	2	-	18
767-400ER	6	10	-	16
767-200ER	10	-	-	10
757-300	2	2	-	4
757-200	41	-	-	41
737-900	10	2	-	12
737-800	73	4	4	81
MD-80	33	2*	1*	36
737-700	36	-	-	36
737-300	59	1*	(2)	58
737-500	66	(1)	(2)	63
Total Jet	352	22	1	375
Regional Jet				
ERJ-145XR	-	18	48	66
ERJ-145	107	33	-	140
ERJ-135	30	-	-	30
Total Regional Jet	137	51	48	236
Total				
Jet	352	22	1	375
Regional Jet	137	51	48	236
Total YE Jet Count	489	73	49	611
* Temporarily grounded aircraft returned to service				