

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K/A

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

0-9781  
(Commission File Number)

CONTINENTAL AIRLINES, INC.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization) 74-2099724 (IRS Employer Identification No.)

2929 Allen Parkway, Suite 2010, Houston, Texas 77019  
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code: 713-834-2950

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Class A Common Stock, par value \$.01 per share	New York Stock Exchange, Inc.
Class B Common Stock, par value \$.01 per share	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act:  
None

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of the registrant was \$784 million as of February 16, 1996.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

As of February 16, 1996, 6,301,056 shares of Class A Common Stock and 21,484,074 shares of Class B Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Proxy Statement for Annual Meeting  
of Stockholders to be held on May 17, 1996: PART III

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Item 8. The consolidated balance sheets are amended and restated in their entirety as follows:

CONTINENTAL AIRLINES, INC.  
CONSOLIDATED BALANCE SHEETS  
(In millions of dollars, except for share data)

ASSETS	December 31, 1995 -----	December 31, 1994 -----
Current Assets:		
Cash and cash equivalents, including restricted cash and cash equivalents of \$144 and \$119, respectively . . . . .	\$ 747	\$ 396
Accounts receivable, net of allowance for doubtful receivables of \$44 and \$38, respectively . . . . .	351	376
Spare parts and supplies, net of allowance for obsolescence of \$36 and \$36, respectively . . . . .	127	142
Prepayments and other . . . . .	90	76
	-----	-----
Total current assets . . . . .	1,315	990
	-----	-----
Property and Equipment:		
Owned property and equipment:		
Flight equipment . . . . .	1,107	1,004
Other . . . . .	288	282
	-----	-----
	1,395	1,286
Less: Accumulated depreciation . . . . .	285	207
	-----	-----
	1,110	1,079
	-----	-----
Purchase deposits for flight equipment . . . . .	48	166
	-----	-----
Capital leases:		
Flight equipment . . . . .	394	400
Other . . . . .	28	17
	-----	-----
	422	417
Less: Accumulated amortization . . . . .	119	69
	-----	-----
	303	348
	-----	-----
Total property and equipment . . . . .	1,461	1,593
	-----	-----
Other Assets:		
Routes, gates and slots, net of accumulated amortization of \$154 and \$97, respectively . . . . .	1,531	1,591
Reorganization value in excess of amounts allocable to identifiable assets, net of accumulated amortization of \$46 and \$31, respectively . . . . .	251	318
Investments . . . . .	163	17
Other assets, net . . . . .	100	92
	-----	-----
Total other assets . . . . .	2,045	2,018
	-----	-----

Total Assets . . . . .	\$4,821	\$4,601
	=====	=====

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CONTINENTAL AIRLINES, INC.  
CONSOLIDATED BALANCE SHEETS  
(In millions of dollars, except for share data)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 1995	December 31, 1994
	-----	-----
Current Liabilities:		
Debt and capital lease obligations in default . . . . .	\$ -	\$ 490
Current maturities of long-term debt . . . . .	163	126
Current maturities of capital leases . . . . .	58	26
Accounts payable . . . . .	617	630
Air traffic liability . . . . .	579	584
Accrued payroll and pensions . . . . .	181	179
Accrued other liabilities . . . . .	386	373
	-----	-----
Total current liabilities . . . . .	1,984	2,408
	-----	-----
Long-Term Debt . . . . .	1,352	1,038
	-----	-----
Capital Leases . . . . .	306	164
	-----	-----
Deferred Credits and Other Long-Term Liabilities:		
Deferred income taxes . . . . .	46	28
Deferred credit - aircraft operating leases . . . . .	97	138
Accruals for aircraft retirements and excess facilities . . . . .	175	392
Other . . . . .	246	251
	-----	-----
Total deferred credits and other long-term liabilities . . . . .	564	809
	-----	-----
Commitments and Contingencies		
Minority Interest . . . . .	27	26
	-----	-----
Continental-Obligated Mandatorily Redeemable Preferred Securities of Trust . . . . .	242	-
	-----	-----
Redeemable Preferred Stock (aggregate redemption value - \$41 and \$56, respectively) . . . . .	41	53
	-----	-----
Common Stockholders' Equity:		
Class A common stock - \$.01 par, 50,000,000 shares authorized; 6,301,056 shares issued and outstanding at December 31, 1995 and 1994 . . . . .	-	-
Class B common stock - \$.01 par, 100,000,000 shares authorized; 21,428,274 shares issued and outstanding at December 31, 1995; 20,403,512 shares issued and 20,373,512 shares outstanding at December 31, 1994 . . . . .	-	-
Additional paid-in capital . . . . .	733	778
Accumulated deficit . . . . .	(428)	(652)
Unvested portion of restricted stock . . . . .	(10)	(14)
Additional minimum pension liability . . . . .	(8)	(7)
Unrealized gain (loss) on marketable equity securities . . . . .	18	(2)
Treasury stock - 30,000 shares in 1994 . . . . .	-	-
	-----	-----
Total common stockholders' equity . . . . .	305	103
	-----	-----
Total Liabilities and Stockholders' Equity . . . . .	\$ 4,821	\$ 4,601
	=====	=====

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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Item 8. The consolidated statements of cash flows are amended and restated in their entirety as follows:

CONTINENTAL AIRLINES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of dollars)

	Reorganized Company			Predecessor Company
	Year Ended December 31,		Period from Reorganization (April 28, 1993 through December 31, 1993)	Period from January 1, 1993 through April 27, 1993
	1995	1994		
<b>Cash Flows From Operating Activities:</b>				
Net income (loss)	\$224	\$(613)	\$(39)	\$2,640
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	253	258	162	77
Provision for aircraft and facilities	14	447	-	-
Extraordinary credit - gain on discharge of debt, net	-	-	-	(3,619)
Reorganization items, net	-	-	-	779
Gain on System One transactions	(108)	-	-	-
Other, net	103	(52)	(38)	(20)
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(21)	(64)	113	(133)
(Increase) decrease in spare parts and supplies	(8)	(10)	3	-
(Increase) decrease in prepayments and other assets	(59)	(12)	14	34
Increase in accounts payable	48	89	15	75
Increase (decrease) in air traffic liability	(5)	(7)	(96)	110
Increase (decrease) in accrued liabilities, deferred credits and other	(92)	7	(69)	130
Net cash provided by operating activities	349	43	65	73

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CONTINENTAL AIRLINES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In millions of dollars)

	Reorganized Company			Predecessor Company
	Year Ended December 31,		Period from Reorganization (April 28, 1993 through December 31, 1993)	Period from January 1, 1993 through April 27, 1993
	1995	1994		
<b>Cash Flows from Investing Activities:</b>				
Proceeds from disposition of property, equipment and other assets	\$ 60	\$ 29	\$ 4	\$ 36
Capital expenditures, net of returned purchase deposits	(82)	(227)	(236)	(67)
Purchase deposits refunded in connection with aircraft delivered	97	96	-	-
Investment in America West	-	(19)	-	-
Net cash provided (used) by investing activities	75	(121)	(232)	(31)
<b>Cash Flows from Financing Activities:</b>				
Net proceeds from issuance of long-term debt	9	33	90	308
Payments on long-term debt and				

capital lease obligations . . . . .	(323)	(280)	(121)	(106)
Net proceeds from issuance of preferred and common stock	13	-	153	122
Net proceeds from issuance of preferred securities of trust . . . . .	242	-	-	-
Purchase of warrants . . . . .	(14)	-	-	-
	-----	-----	-----	-----
Net cash provided (used) by financing activities . . . . .	(73)	(247)	122	324
	-----	-----	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents . . . . .	351	(325)	(45)	366
Cash and Cash Equivalents Beginning of Period . . . . .	396	721	766	400
	-----	-----	-----	-----
Cash and Cash Equivalents End of Period . . . . .	\$ 747	\$ 396	\$ 721	\$ 766
	=====	=====	=====	=====

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CONTINENTAL AIRLINES, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In millions of dollars)

	Reorganized Company		Predecessor Company	
	Year Ended December 31,	Year Ended December 31,	Period from Reorganization (April 28, 1993 through December 31, 1993)	Period from January 1, 1993 through April 27, 1993
	1995	1994		
Supplemental Cash Flows Information:				
Interest paid . . . . .	\$ 179	\$ 202	\$ 93	\$ 31
Income taxes paid . . . . .	\$ 11	\$ -	\$ -	\$ -
Financing and Investing Activities Not Affecting Cash:				
Reclassification of accrued rent, capital leases and interest to long-term debt . . . . .	\$ 65	\$ 28	\$ 73	\$ 113
Capitalization of operating leases due to renegotiated terms . . . . .	\$ -	\$ -	\$ 137	\$ -
Property and equipment acquired through the issuance of debt . . . . .	\$ 92	\$ 10	\$ 2	\$ -
Investment in AMADEUS acquired in connection with System One transactions . . . . .	\$ 120	\$ -	\$ -	\$ -
Reduction of debt in connection with System One transactions . . . . .	\$ 42	\$ -	\$ -	\$ -
Issuance of debt in connection with purchase of Air Canada warrants . . . . .	\$ 42	\$ -	\$ -	\$ -
Issuance of convertible secured debentures in connection with the aircraft settlements . . . . .	\$ 158	\$ -	\$ -	\$ -
Exchange of preferred stock for long-term debt . . . . .	\$ 21	\$ -	\$ -	\$ -

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

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Item 14.(b) Schedule I. Condensed Balance Sheet is amended and restated in

its entirety as follows;

CONTINENTAL AIRLINES, INC.  
 (Parent Company Only)  
 SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT  
 CONDENSED BALANCE SHEET (a) (b)  
 (In millions of dollars, except for share data)

ASSETS	December 31, 1995 -----	December 31, 1994 -----
Current Assets:		
Cash and cash equivalents, including restricted cash and cash equivalents of \$144 and \$119, respectively . . . . .	\$ 675	\$ 326
Accounts receivable, net . . . . .	282	282
Accounts receivable from subsidiaries, net . . . . .	18	64
Notes receivable from subsidiaries . . . . .	79	98
Spare parts and supplies, net . . . . .	107	120
Prepayments and other . . . . .	85	70
	-----	-----
Total current assets . . . . .	1,246	960
	-----	-----
Property and Equipment:		
Owned property and equipment, net of accumulated depreciation of \$263 and \$180, respectively . . . . .	984	1,017
Purchase deposits for flight equipment . . . . .	47	166
Capital leases, net of accumulated amortization of \$102 and \$58, respectively . . . . .	272	311
	-----	-----
Total property and equipment . . . . .	1,303	1,494
	-----	-----
Other Assets:		
Routes, gates and slots, net of accumulated amortization of \$116 and \$73, respectively . . . . .	1,005	1,051
Reorganization value in excess of amounts allocable to identifiable assets, net of accumulated amortization of \$35 and \$23, respectively . . . . .	196	208
Investment in subsidiaries (g) . . . . .	276	261
Investments . . . . .	37	17
Other assets, net . . . . .	90	49
	-----	-----
Total other assets . . . . .	1,604	1,586
	-----	-----
Total Assets . . . . .	\$4,153	\$4,040
	=====	=====

These Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Notes to Schedule I.

CONTINENTAL AIRLINES, INC.  
 (Parent Company Only)  
 SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT  
 CONDENSED BALANCE SHEET (a) (b)  
 (In millions of dollars, except for share data)

LIABILITIES AND STOCKHOLDERS' EQUITY	December 31, 1995 -----	December 31, 1994 -----
Current Liabilities:		
Debt and capital lease obligations in default . . . . .	\$ -	\$ 490
Current maturities of long-term debt (c) . . . . .	156	108
Current maturities of capital leases . . . . .	50	18
Accounts payable . . . . .	564	548
Air traffic liability . . . . .	541	552
Accrued other liabilities . . . . .	537	493
	-----	-----
Total current liabilities . . . . .	1,848	2,209
	-----	-----

Long-Term Debt (c) . . . . .	1,118	860
	-----	-----
Capital Leases . . . . .	269	120
	-----	-----
Deferred Credits and Other Long-Term Liabilities . . . . .	330	695
	-----	-----
Commitments and Contingencies (d)		
Continental-Obligated Mandatorily Redeemable Preferred Securities of Trust (e) . . . . .	242	-
	-----	-----
Redeemable Preferred Stock (aggregate liquidation value - \$41 and \$56, respectively) (f) . . . . .	41	53
	-----	-----
Common Stockholders' Equity:		
Class A common stock - \$.01 par, 50,000,000 shares authorized; 6,301,056 shares issued and outstanding at December 31, 1995 and 1994, respectively (f) . . . . .	-	-
Class B common stock - \$.01 par, 100,000,000 shares authorized; 21,428,274 shares issued and outstanding at December 31, 1995; 20,403,512 shares issued and 20,373,512 shares outstanding at December 31, 1994, (f) . . . . .	-	-
Additional paid-in capital . . . . .	733	778
Accumulated deficit . . . . .	(428)	(652)
Unvested portion of restricted stock . . . . .	(10)	(14)
Additional minimum pension liability . . . . .	(8)	(7)
Unrealized gain (loss) on marketable equity securities . . . . .	18	(2)
Treasury stock - 30,000 shares in 1994 . . . . .	-	-
	-----	-----
Total common stockholders' equity . . . . .	305	103
	-----	-----
Total Liabilities and Stockholders' Equity . . . . .	\$ 4,153	\$4,040
	=====	=====

These Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto and Notes to Schedule I.

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SIGNATURES

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

CONTINENTAL AIRLINES, INC.

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(Registrant)

Date: March 7, 1996  
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by: /s/ MICHAEL P. BONDS  
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Michael P. Bonds  
Staff Vice President  
and Controller  
(On behalf of Registrant)