

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):

December 4, 2002

CONTINENTAL AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-10323	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 December 4, 2002, we provided a letter to analysts and other parties presenting information relating to our financial outlook for the remainder of 2002 and for 2003. The letter is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 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.

December 4, 2002

By: /s/ Diane Dayhoff

Diane Dayhoff

Staff Vice President-Finance

EXHIBIT INDEX

99.1 Letter to Analysts



Diane Dayhoff
Staff Vice President Finance
1600 Smith Street, HSQ11
Houston, Texas 77002

December 4, 2002

Dear Investors and Analysts:

I wanted to update you on information relating to our financial outlook. Fourth quarter 2002 expectations are in line with our previous guidance. We are seeing the customary winter fare sales and accordingly, expect the downward pressure on yields to continue.

Bookings for the week preceding Thanksgiving were weaker than in recent years but bookings for Thanksgiving week itself were quite strong. This pattern appears to be repeating itself for the Christmas holiday period as well. This indicates that customers are still traveling for the holidays; they are just leaving later and staying for shorter periods than in previous years.

As we announced earlier this week, we priced an offering of \$200 million of Floating Rate Secured Notes and expect issuance and delivery of the Notes to occur on December 6, 2002. Including the proceeds of these Notes, we estimate that our year-end cash and short-term investment balance will be in the range of \$1.2 - 1.3 billion.

We've fine-tuned our 2003 plan and we are now targeting to hold unit cost increases to 2-3% year-over-year versus our prior estimate of up 4-5%. This change is driven mainly by expected lower fuel costs as well as some additional cost-saving measures.

We are still in the process of finalizing the conditions of our three-way alliance among Delta, Northwest and ourselves. Assuming all conditions are met, we anticipate that we will begin implementing the alliance by the end of second quarter 2003.

Updated guidance for several operating and financial statistics for fourth quarter 2002, full year 2002 and 2003 can be found on Attachment A.

Please visit our website at continental.com for other information regarding Continental Airlines. 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 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 2001 10-K and its other securities filings, which identify important matters such as 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, airline pricing environment and industry capacity decisions, regulatory matters and the seasonal nature of the airline business.

Continental Airlines' Quarterly Update

ASMs	2002 Estimated <u>Year-over-Year %Change</u>		2003 Estimated
	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>	<u>Full Year(E)</u>
Domestic	4.0%	(7.0)%	(4)%
Latin America	8.5%	(1.5)%	(2)%
Europe	12.0%	(2.0)%	8%
Pacific	22.0%	(4.5)%	5%
System	7.0%	(5.0)%	(1)%
Continental Express	23.0%	14.5%	31%

Load Factor	2002 Estimate		2003 Estimate
	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>	<u>Full Year(E)</u>
Continental	69 - 70%	73 - 74%	74 - 75%
Continental Express	62 - 63%	62 - 63%	64 - 65%

Jet Operating Statistics	2002 Estimated <u>Year-over-Year Change</u>		2003 Estimated
	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>	<u>Full Year(E)</u>
CASM	(2) - (1)%	(3) - (2)%	2 - 3%
CASM Holding Fuel Price Constant	(5) - (4)%	(2) - (1)%	2 - 3%
Fuel Gallons Consumed	5 - 6%	(10) - (9)%	(1) - 0%
Fuel Price (excluding fuel taxes)	79 - 82 cents	69 - 72 cents	69 - 73 cents

Financial	2002 <u>Estimated Amounts</u>		2003 <u>Estimated Amounts</u>
	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>	<u>Full Year(E)</u>
Aircraft Rent	\$228 Million	\$915 Million	\$915 Million
Net Interest Expense	\$80 Million	\$300 Million	\$305 Million
Dividends on Preferred Stock of Trust	\$2.4 Million	\$9.6 Million	\$9.6 Million

	<u>% of Volume Hedged</u>	<u>Wtd. Average Strike Price of Caps</u>
-		
Fuel Hedges		
Fourth Quarter 2002:	25%	\$25.00/Barrel
	25%	\$28.00/Barrel
	15%	\$33.00/Barrel
	15%	\$27.50/Barrel
	<u>15%</u>	<u>\$26.95/Barrel</u>
Total/Average:	95%	\$27.76/Barrel
First Quarter 2003:	95%	\$33.00/Barrel
-		
-		

	<u>2002 Estimated Amounts</u> (\$Millions)	<u>2003 Estimated Amounts</u> (\$Millions)
Cash Capital Expenditures		
Fleet*	\$395	\$100
Non-Fleet	140	120
Rotable Parts & Capitalized Interest	<u>33</u>	<u>110</u>
Total	\$568	\$330
Net Purchase Deposits	(148)	30
Financing*		

(150)
\$270

0
\$360

*Capital Expenditures for 2002 includes \$150 million of expenditures related to two aircraft purchased and delivered in the second quarter but collateralized with debt financing in the third quarter.

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EPS Estimated Share Count

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

Fourth Quarter 2002 (Millions)

Quarterly Earnings Level	Number of Shares		Interest Addback
	Basic	Diluted	
Over \$36	65.3	74.4	\$3.6
Between \$19 - \$36	65.3	70.3	\$1.4
Under \$19	65.3	65.3	- --

Full Year 2002 (Millions)

Year-to-date Earnings Level	Number of Shares		Interest Addback
	Basic	Diluted	
Over \$137	64.2	73.4	\$14.2
Between \$73 - \$137	64.2	69.2	\$5.7
Under \$73	64.2	64.2	- --

Full Year 2003 (Millions)

Year-to-date Earnings Level	Number of Shares		Interest Addback
	Basic	Diluted	
Over \$140	65.3	74.4	\$14.2
Between \$74 - \$140	65.3	70.3	\$5.7
Under \$74	65.3	65.3	- --

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.