

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):

July 16, 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 July 16, 2002, we issued a press release announcing our financial results for the second quarter and first six months of the year as well as our operational performance for the second quarter. We also provided a letter to analysts and other parties presenting

information relating to our financial and operational outlook for 2002. The press release and letter are filed herewith as Exhibits 99.1 and 99.2, respectively, and are incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release

99.2 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.

July 16, 2002

By: /s/ Jennifer L. Vogel

Jennifer L. Vogel

Vice President and General Counsel

EXHIBIT INDEX

99.1 Press Release

99.2 Letter to Analysts



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 REPORTS SECOND QUARTER LOSS

HOUSTON, July 16, 2002 - Continental Airlines (NYSE: CAL) today reported a second quarter net loss of \$35 million (\$0.55 diluted loss per share) excluding a previously announced fleet charge and write down of its government grant receivable, which compares favorably to the First Call estimate of \$0.76 loss per share. Including those items, Continental reported a net loss of \$139 million (\$2.18 diluted loss per share). Although April and May were unprofitable, the company recorded a modest net income of \$16 million for the month of June, excluding those items.

"Heavy fare discounting and a sluggish economy are bad enough, but when coupled with extraordinarily high security costs and the increasing airport 'hassle factor' we're in a no-win situation," said Gordon Bethune, chairman and chief executive officer. "While it's great to outperform all of our hub and spoke competitors, we still need to find a way to make money."

Second Quarter Revenue and Capacity Results

Second quarter passenger revenue was \$2.1 billion, down 14.8 percent from the same period last year, due to traffic and capacity declines and widespread industry fare discounting. Continental achieved a record mainline jet load factor of 75.3 percent in the second quarter of 2002 on substantially reduced capacity. While the airline's second quarter mainline jet capacity was down 9.8 percent compared with the same period in the prior year, Continental achieved a 1.5 point premium to the industry average load factor by closely managing capacity and utilizing the right-size aircraft to meet market demand. Industry fare discounting drove Continental's consolidated breakeven load factor up to 76.9 percent, an increase of 5.7 points over the second quarter of last year.

Mainline jet revenue per available seat mile (RASM) remained weak, yet Continental continued to enjoy domestic length-of-haul adjusted yield and RASM premiums to the industry. Comparisons of passenger revenue, RASM and available seat miles (ASMs) by geographic region for the company's mainline jet operations are shown below:

Increase (Decrease) in Second Quarter 2002 vs. Second Quarter 2001

Passenger Revenue RASM ASMs

Domestic (19.6)% (9.0)% (11.7)%

Latin America (11.0)% (7.9)% (3.4)%

Transatlantic (8.3)% (2.9)% (5.6)%

Pacific (12.6)% 1.2% (13.6)%

Total Mainline Jet Operations (16.4)% (7.4)% (9.8)%

"Thanks to our strong operation, we continue to retain a revenue premium to the industry despite a weak fare environment," said Larry Kellner, president of Continental Airlines. "As would be expected, bookings look good in this heavily discounted fare environment, unfortunately we do not expect to see improvement in near-term yields."

Second Quarter Operational Performance

During the quarter, Continental continued to excel at the fundamentals of its business, with a record on-time arrival rate of 85.2 percent and a completion factor of 99.8 percent, completing 29 days without a single flight cancellation.

Continental Airlines and KLM Royal Dutch Airlines extended their cooperative marketing agreement and expanded codesharing on select flights operated by KLM to destinations in Europe, the Middle East and Africa that connect with Continental's recently-launched non-stop flights between Houston and Amsterdam.

In addition, the company operated its first transatlantic flight with newly-designed sleeper seats in the BusinessFirst cabin. Continental has installed new seats on eight Boeing 777s that serve transatlantic and transpacific routes, and expects to complete installation on the rest of its Boeing 777 fleet by the end of October.

Continental teamed with eBay to announce a new, co-branded site (continental.ebaytravel.com) that allows OnePass members to bid on sporting events, VIP performing arts experiences and Continental Airlines Vacations using frequent flier miles. In addition, the airline's award winning frequent flyer program, OnePass, was named the best Elite Level Program of any U.S. airline at InsideFlyer's Annual Freddie Awards Competition.

Second Quarter Financial Results

Despite reduced capacity and significantly increased security and insurance costs, Continental's mainline jet cost per available seat mile (CASM) declined 3.1 percent (0.7 percent lower holding fuel rate constant) in the second quarter over the same period last year.

As previously reported, the company recorded a fleet charge of \$96 million (\$152 million before taxes) in the second quarter, primarily in connection with the impairment and accrual of lease exit costs of its MD-80 and turboprop aircraft. In addition, the company recorded a charge of \$8 million (\$12 million before taxes) to write down its receivable from the U.S. government related to the finalization of its grant application under the Air Transportation Safety and System Stabilization Act.

Continental ended the quarter with approximately \$1.3 billion in cash and short-term investments.

During the second quarter, Continental received net proceeds of \$447 million from ExpressJet's initial public offering. This sale of shares was accounted for as a capital transaction, resulting in a \$291 million increase in

additional paid-in capital and a \$175 million increase in tax liabilities. The company contributed \$150 million of the proceeds to its pension plan. Following the initial public offering, Continental owns 53 percent of ExpressJet.

"We're pleased with our overall cost performance for the quarter," said Jeff Misner, Continental's senior vice president and chief financial officer. "However, we need to more aggressively review every aspect of our operation to ensure our cost structure reflects what our customers are willing to pay for."

During the second quarter, the Company took delivery of one Boeing 777-200, one Boeing 737-900 and four Boeing 767-400 extended range aircraft, the last aircraft deliveries scheduled for 2002. ExpressJet took delivery of 13 Embraer aircraft during the quarter.

Corporate Background

Continental Airlines is the fifth largest airline in the U.S., offering more than 2,100 departures daily to 122 domestic and 90 international destinations. Operating hubs in New York, Houston, Cleveland and Guam, Continental serves more international cities than any other U.S. carrier, including extensive service throughout the Americas, Europe and Asia. For more information, visit continental.com.

Continental Airlines will conduct a regular quarterly telephone briefing today to discuss these results and the company's financial and operating outlook with the financial community at 9:30 a.m. CDT/10:30 a.m. EDT. To listen to a live broadcast of this briefing via the World Wide Web, go to continental.com/corporate.

This press release contains forward-looking statements that are not limited to historical facts, but reflect the Company's current beliefs, expectations or intentions regarding future events. In connection therewith, 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 the Company's high leverage and significant financing needs, terrorist attacks, the Company's 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.

-tables attached-

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

FINANCIAL SUMMARY

(In millions of dollars, except per share data)

(Unaudited)

	Three Months Ended	Three Months Ended	%
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	Increase/ (Decrease)
Operating Revenue:			
Passenger	\$2,062	\$2,420	(14.8)%
Cargo, mail and other	<u>130</u>	<u>136</u>	(4.4)%
	<u>2,192</u>	<u>2,556</u>	(14.2)%
Operating Expenses:			
Wages, salaries and related costs	746	800	(6.8)%
Aircraft fuel	254	349	(27.2)%
Aircraft rentals	231	223	3.6 %
Landing fees and other rentals	160	153	4.6%
Maintenance, materials and repairs	119	162	(26.5)%

Depreciation and amortization	112	111	0.9 %
Reservations and sales	101	124	(18.5)%
Passenger servicing	73	96	(24.0)%
Commissions	57	106	(46.2)%
Fleet disposition/impairment losses (a)	152	-	NM
Stabilization Act grant adjustment (b)	12	-	NM
Other	<u>290</u>	<u>295</u>	(1.7)%
	<u>2,307</u>	<u>2,419</u>	(4.6)%
Operating Income (Loss)	<u>(115)</u>	<u>137</u>	NM
Nonoperating Income (Expense):			
Interest expense	(91)	(72)	26.4 %
Interest income	6	13	(53.8)%
Interest capitalized	9	15	(40.0)%
Other, net	<u>(3)</u>	<u>(13)</u>	(76.9)%
	<u>(79)</u>	<u>(57)</u>	38.6 %
Income (Loss) before Income Taxes and	(194)	80	NM
Minority Interest			
Income Tax Benefit (Provision)	65	(36)	NM
Minority Interest	(8)	-	NM
Distributions on Preferred Securities of	<u>(2)</u>	<u>(2)</u>	-
Trust, net of tax			
Net Income (Loss)	<u>\$(139)</u>	<u>\$ 42</u>	NM
Basic Earnings (Loss) per Share	<u>\$(2.18)</u>	<u>\$ 0.77</u>	NM
Diluted Earnings (Loss) per Share	<u>\$(2.18)</u>	<u>\$ 0.74</u>	NM
Shares Used for Computation:			
Basic	63.8	54.2	17.7 %
Diluted	63.8	59.2	7.8 %

a. The Company recorded fleet disposition/impairment losses of \$152 million during the second quarter of 2002 primarily related to the impairment and accrual of lease exit costs of its MD-80 and turboprop fleet.

b. The Company recorded a \$12 million charge to write down its receivable from the U.S. government related to the finalization of its grant application under the Air Transportation Safety and System Stabilization Act.

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

FINANCIAL SUMMARY

(In millions of dollars, except per share data)

(Unaudited)

	Six Months Ended	Six Months Ended	%
	<u>June 30, 2002</u>	<u>June 30, 2001</u>	Increase/ (Decrease)
Operating Revenue:			
Passenger	\$3,934	\$4,726	(16.8)%
Cargo, mail and other	<u>252</u>	<u>282</u>	(10.6)%
	<u>4,186</u>	<u>5,008</u>	(16.4)%
Operating Expenses:			
Wages, salaries and related costs	1,478	1,558	(5.1)%
Aircraft fuel	462	694	(33.4)%
Aircraft rentals	459	437	5.0 %
Landing fees and other rentals	321	294	9.2 %
Maintenance, materials and repairs	232	322	(28.0)%
Depreciation and amortization	225	216	4.2 %
Reservations and sales	203	252	(19.4)%
Passenger servicing	150	187	(19.8)%
Commissions	128	220	(41.8)%
Fleet disposition/impairment losses (a)	235	-	NM
Stabilization Act grant adjustment (b)	12	-	NM
Other	<u>582</u>	<u>615</u>	(5.4)%
	<u>4,487</u>	<u>4,795</u>	(6.4)%
Operating Income (Loss)	<u>(301)</u>	<u>213</u>	NM
Nonoperating Income (Expense):			
Interest expense	(173)	(144)	20.1 %
Interest income	11	28	(60.7)%
Interest capitalized	20	30	(33.3)%
Other, net	<u>(4)</u>	<u>(28)</u>	(85.7)%
	<u>(146)</u>	<u>(114)</u>	28.1 %
Income (Loss) before Income Taxes and	(447)	99	NM
Minority Interest			
Income Tax Benefit (Provision)	155	(44)	NM
Minority Interest	(8)	-	NM
Distributions on Preferred Securities of	<u>(5)</u>	<u>(4)</u>	25.0 %
Trust, net			
Net Income (Loss)	<u>\$(305)</u>	<u>\$ 51</u>	NM

Basic Earnings (Loss) per Share	<u>\$(4.79)</u>	<u>\$ 0.93</u>	NM
---------------------------------	-----------------	----------------	----

Diluted Earnings (Loss) per Share	<u>\$(4.79)</u>	<u>\$ 0.91</u>	NM
-----------------------------------	-----------------	----------------	----

Shares used for Computation:

Basic	63.7	54.6	16.7 %
-------	------	------	--------

Diluted	63.7	59.9	6.3 %
---------	------	------	-------

a. The Company recorded fleet disposition/impairment losses of \$83 million during the first quarter of 2002 for the permanent grounding of its DC10-30 fleet and \$152 million during the second quarter of 2002 primarily related to the impairment and accrual of lease exit costs of its MD-80 and turboprop fleet.

b. The Company recorded a \$12 million charge to write down its receivable from the U.S. government related to the finalization of its grant application under the Air Transportation Safety and System Stabilization Act.

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

STATISTICS (mainline jet operations only, except as otherwise noted)

	Three Months		%
	Ended June 30,		Increase/
	<u>2002</u>	<u>2001</u>	<u>(Decrease)</u>
Revenue passengers (thousands)	10,727	12,256	(12.5)%
Revenue passenger miles (millions)	15,486	17,053	(9.2)%
Available seat miles (millions)	20,573	22,813	(9.8)%
Cargo ton miles (millions)	224	245	(8.6)%
Passenger load factor:			
Mainline jet	75.3%	74.8%	0.5 pts.
Domestic	75.8%	75.0%	0.8 pts.
International	74.5%	74.4%	0.1 pts.
Consolidated (a)	74.6%	74.3%	0.3 pts.
Consolidated breakeven passenger load factor (a)(b)(c)	76.9%	71.2%	5.7 pts.
Passenger revenue per available seat mile (cents)	8.82	9.52	(7.4)%
Total revenue per available seat mile (cents)	9.68	10.28	(5.8)%
Cost per available seat mile (b) (cents)	9.12	9.41	(3.1)%
Cost per available seat mile, holding fuel rate constant (b) (cents)	9.34	9.41	(0.7)%
Average yield per revenue passenger mile (cents)	11.71	12.73	(8.0)%
Average price per gallon of fuel, excluding fuel taxes (cents)	68.27	81.49	(16.2)%
Average price per gallon of fuel, including fuel taxes (cents)	72.34	85.71	(15.6)%
Fuel gallons consumed (millions)	332	389	(14.7)%

Actual aircraft in fleet at end of period	374	377	(0.8)%
Average stage length	1,230	1,193	3.1 %

a. Includes aircraft operated by ExpressJet.

b. 2002 excludes fleet disposition/impairment losses of \$152 million and a \$12 million charge to write down the company's receivable from the U.S. government related to the finalization of the company's grant application under the Air Transportation Safety and System Stabilization Act.

c. The percentage of seats that must be occupied by revenue passengers in order for us to breakeven on a net income basis, excluding nonrecurring charges and other special items.

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

STATISTICS (mainline jet operations only, except as otherwise noted)

	Six Months		%
	Ended June 30,		Increase/
	<u>2002</u>	<u>2001</u>	<u>(Decrease)</u>
Revenue passengers (thousands)	20,784	23,476	(11.5)%
Revenue passenger miles (millions)	29,518	32,167	(8.2)%
Available seat miles (millions)	39,525	44,271	(10.7)%
Cargo ton miles (millions)	432	498	(13.3)%
Passenger load factor:			
Mainline jet	74.7%	72.7%	2.0 pts.
Domestic	74.1%	72.4%	1.7 pts.
International	75.5%	73.1%	2.4 pts.
Consolidated (a)	73.8%	72.0%	1.8 pts.
Consolidated breakeven passenger load factor (a)(b)(c)	79.7%	70.3%	9.4 pts.

Passenger revenue per available seat mile (cents)	8.79	9.63	(8.7)%
Total revenue per available seat mile (cents)	9.66	10.44	(7.5)%
Cost per available seat mile (b) (cents)	9.38	9.65	(2.8)%
Cost per available seat mile, holding fuel rate constant (b) (cents)	9.69	9.65	0.4 %
Average yield per revenue passenger mile (cents)	11.77	13.26	(11.2)%
Average price per gallon of fuel, excluding fuel taxes (cents)	64.37	83.61	(23.0)%
Average price per gallon of fuel, including fuel taxes (cents)	68.51	88.09	(22.2)%
Fuel gallons consumed (millions)	640	757	(15.5)%
Actual aircraft in fleet at end of period	374	377	(0.8)%
Average stage length	1,203	1,179	2.0 %

a. Includes aircraft operated by ExpressJet.

b. 2002 excludes fleet disposition/impairment losses of \$235 million and a \$12 million charge to write down the company's receivable from the U.S. government related to the finalization of the company's grant application under the Air Transportation Safety and System Stabilization Act.

c. The percentage of seats that must be occupied by revenue passengers in order for us to breakeven on a net income basis, excluding nonrecurring charges and other special items.

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited) (In millions)

June 30,	December 31,
<u>2002</u>	<u>2001</u>

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 1,177	\$1,132
Short-term investments	134	-
Accounts receivable, net	512	404
Spare parts and supplies, net	273	272
Other	<u>355</u>	<u>336</u>
Total current assets	<u>2,451</u>	<u>2,144</u>
Total Property and Equipment	<u>7,059</u>	<u>6,153</u>
Routes and airport operating rights, net	<u>1,019</u>	<u>1,033</u>
Other Assets, net	<u>490</u>	<u>461</u>
Total Assets	<u>\$11,019</u>	<u>\$9,791</u>

LIABILITIES AND STOCKHOLDERS' EQUITY:

Current Liabilities:

Current maturities of long-term debt and capital leases	\$ 429	\$ 355
Accounts payable	931	1,008
Air traffic liability	1,229	1,014
Accrued other liabilities	<u>652</u>	<u>569</u>
Total current liabilities	<u>3,241</u>	<u>2,946</u>
Long-Term Debt and Capital Leases	<u>5,093</u>	<u>4,198</u>
Other Long-Term Liabilities	<u>1,292</u>	<u>1,243</u>
Minority Interest	<u>(13)</u>	<u>-</u>
Continental-Obligated Mandatorily Redeemable Preferred		
Securities of Subsidiary Trust Holding Solely Convertible	<u>243</u>	<u>243</u>
Subordinated Debentures		
Redeemable Preferred Stock	<u>5</u>	<u>-</u>
Stockholders' Equity:		
Class B common stock	1	1
Additional paid-in capital	1,376	1,069
Retained earnings	1,056	1,361
Accumulated other comprehensive income (loss)	(135)	(130)
Treasury stock	<u>(1,140)</u>	<u>(1,140)</u>
Total stockholders' equity	<u>1,158</u>	<u>1,161</u>
Total Liabilities and Stockholders' Equity	<u>\$11,019</u>	<u>\$9,791</u>

###



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

July 16, 2002

Dear Investors and Analysts:

Today Continental reported a second quarter net loss of \$35 million (\$0.55 diluted loss per share) excluding the previously announced fleet charge and write down of the government grant receivable.

Continental ended the second quarter with approximately \$1.3 billion in cash and short-term investments. We anticipate that we will also end third quarter 2002 with a cash balance of approximately \$1.3 billion.

We are forecasting capacity to be down approximately 4% year-over-year for the third quarter and up approximately 8% year-over-year for the fourth quarter resulting in a full year capacity decrease of approximately 5%. As a reminder, the last half of 2002 capacity comparisons are skewed due to large capacity reductions in the base year 2001. Updated guidance for several operating and financial statistics for third quarter and full year 2002 can be found on Attachment A.

In connection with the ExpressJet initial public offering, Continental received net proceeds of \$447 million. This transaction resulted in a \$291 million increase in additional paid-in capital and a \$175 million increase in tax liabilities. The company contributed \$150 million of the proceeds to its pension plan.

Continental ended the quarter with 374 jet aircraft (excluding regional jets) in service. Please see Attachment B for our updated Fleet Plan for 2002 and 2003.

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>3rd Qtr.(E)</u>	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>
Domestic	(6)%	7%	(6)%
Latin America	(1)%	5%	(2)%
Europe	3%	10%	(3)%
Pacific	(7)%	21%	(4)%
System	(4)%	8%	(5)%
Continental Express	16%	27%	16%

2002 Estimate

Load Factor	<u>3rd Qtr.(E)</u>	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>
Continental	77 - 78%	74 - 75%	75 - 76%
Continental Express	66 - 67%	65 - 66%	64 - 65%

2002 Estimated Year-over-Year Change

Jet Operating Statistics	<u>3rd Qtr.(E)</u>	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>
CASM	(1) - 0%	3 - 4%	(1) - 0%
CASM Holding Fuel Price Constant	(1) - 0%	2 - 3%	0 - 1%
Fuel Gallons Consumed	(13) - (12)%	3 - 4%	(11) - (10)%
Fuel Price (excluding fuel taxes)	72 - 75 cents	72 - 75 cents	68 - 71 cents

2002 Estimated Amounts

Financial	<u>3rd Qtr.(E)</u>	<u>4th Qtr.(E)</u>	<u>Full Year(E)</u>
Aircraft Rent	\$230 Million	\$230 Million	\$919 Million
Net Interest Expense	\$75 Million	\$75 Million	\$292 Million
Dividends on Preferred Stock of Trust	\$2.4 Million	\$2.4 Million	\$9.6 Million
-	% of Volume <u>Hedged</u>	Wtd. Average <u>Strike Price of Caps</u>	

Fuel Hedges 2002

Third Quarter	50%	\$26.50/Barrel
Fourth Quarter	50%	\$26.50/Barrel
Full Year (Average 3Q - 4Q)	50%	

Cash Capital Expenditures

	<u>2002 Estimated Amounts</u>
Fleet (net of purchase deposits)	\$135 Million
Non-Fleet	\$140 Million

EPS Estimated Share Count

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

Third Quarter 2002 (Millions)

Quarterly	Number of Shares		<u>Interest Addback</u>
<u>Earnings Level</u>	<u>Basic</u>	<u>Diluted</u>	
Over \$35.0	64.3	73.5	\$3.6
Between \$18.5 - \$35.0	64.3	69.3	\$1.4
Under \$18.5	64.3	64.3	--

Full Year 2002 (Millions)

Year-to-date	Number of Shares		<u>Interest Addback</u>
<u>Earnings Level</u>	<u>Basic</u>	<u>Diluted</u>	

Over \$136.8	64.1	73.3	\$14.2
Between \$72.5 - \$136.8	64.1	69.1	\$5.7
Under \$72.5	64.1	64.1	- --

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

		June 30, 2002				
		Total @	Net Inductions and Exits		Total @	
Jet	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	(1)	4*	36		
737-700	36	-	-	36		
737-300	59	(1)	(6)	52		
737-500	66	(1)	(2)	63		
Total Jet	352	17	-	369		
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	17	-	369		
Regional Jet	137	51	48	236		
Total YE Jet Count	489	68	48	605		
* Temporarily grounded aircraft returned to service						