

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):
September 24, 1998

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.)
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2929 Allen Parkway, Suite 2010, Houston, Texas (Address of principal executive offices)	77019 (Zip Code)
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(713) 834-2950
(Registrant's telephone number, including area code)

Item 5. Other Events.

On September 24, 1998, Continental Airlines, Inc. issued a press release, which is filed herewith as Exhibit 99.1 and incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release.

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/ Jeffery A. Smisek
Jeffery A. Smisek
Executive Vice President
and General Counsel

September 24, 1998

EXHIBIT INDEX

99.1 Press release, dated September 24, 1998.

CONTINENTAL AIRLINES INCREASES SIZE
OF STOCK REPURCHASE PROGRAM BY ANOTHER \$100 MILLION

HOUSTON, September 24, 1998 -- Continental Airlines (NYSE: CAI.B and CAI.A) announced today that its Board of Directors has authorized a further \$100 million increase in the size of the company's stock repurchase program, from \$200 million to \$300 million. The company's repurchase program authorizes the repurchase of the company's common stock and convertible securities. The company has expended approximately \$185 million repurchasing its stock since the program began in March 1998.

In announcing the latest increase in the size of the program, Larry Kellner, Continental Airlines' Chief Financial Officer, said "At recent stock prices, increasing the size of our repurchase program is the right move. We continue to have great confidence in the fundamentals of our business, both financially and operationally. With this increase in our repurchase program, we are no longer targeting the maintenance of a specific number of shares for our diluted earnings per share calculation."

Continental Airlines currently has outstanding approximately 48.3 million Class B shares and 11.4 million Class A shares, and convertible securities (8.5% Convertible Trust Originated Preferred Securities and 6 3/4% Convertible Subordinated Notes) convertible into approximately 17.9 million Class B shares.

The repurchases may be effected from time to time in accordance with applicable securities laws, through solicited or unsolicited transactions in the market or in privately negotiated transactions. No time limit was placed on the duration of the repurchase program. Subject to applicable securities laws, such repurchases will be at times and in amounts as the company deems appropriate.

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