

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):

June 4, 2001

CONTINENTAL AIRLINES, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-09781

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 7. Financial Statements and Exhibits

a. Exhibits

1. Projected Data.
2. Presentation Data.

Item 9. Regulation FD Disclosure.

The Company is furnishing herewith a letter being provided to certain investors and financial analysts which contains data regarding aircraft financing, updated guidelines regarding certain operating and financial statistics for the second quarter and full year 2001 and the Company's fleet plan. The letter is attached as Exhibit 99.1 which is included herein.

The Company is also furnishing herewith certain data being presented by certain of its executive officers at a conference (the "Conference") on June 5, 2001. The presentation is attached as Exhibit 99.2 which is included herein. Beginning Tuesday, June 5, 2001 an audio webcast of their remarks at the Conference and accompanying graphic presentation will be made available under our Investor Relations - Investor Presentation section at Continental's corporate website at <http://www.continental.com/corporate>.

The information presented contains forward looking statements and certain assumptions upon which such forward looking statements are in part based. Numerous important factors, including those factors identified as Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2000 filed with the Securities and Exchange Commission, which factors are incorporated herein by reference, and the fact that the assumptions set forth below could prove incorrect, could cause actual results to differ materially from those contained in such forward looking statements.

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

June 4, 2001

EXHIBIT INDEX

1. Projected Data.
2. Presentation Data.

Diane Dayhoff

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

June 4, 2001

Dear Investors and Analysts:

As many of you may know, we recently announced several senior management changes: Larry Kellner has been named our new President, CD McLean was elected Executive VP & COO and Jeff Smisek was elected Executive VP - Corporate. Two Senior Vice Presidents have been named to head the Company's finance operations -- Jeff Misner, Senior VP - Finance and Gerry Laderman, Senior VP - Finance and Treasurer. Jeff Misner will oversee the areas of Financial Planning and Analysis, Corporate Accounting, and Tax. The departments of Treasury Operations, Corporate Finance, Fuel Management, Risk Management, Fleet Management and Pensions will report to Gerry Laderman.

Revised guidance for certain financial and operational statistics is provided on [Attachment A](#). Our operations are running better than ever and we posted an 86.2% on-time performance for May with a systemwide mileage completion factor of 99.4%. However, as recently reported, we are seeing system RASM continuing to trend downward due to softness in the business mix. The capacity forecast for 2001 has been reduced from 6% to 5% year-over-year growth to reflect reduction of marginal domestic flying in less desirable time channels and weekend reductions identified by our demand driven dispatch model.

Recently Continental took delivery of its first 737-900 aircraft. This aircraft model is a welcome addition to our fleet. We have one of the youngest jet fleets in the industry and we continue to realize significant cost efficiencies with our modern fleet. Our current fleet plan is attached ([Attachment B](#)). The top chart is our current Fleet Plan showing deliveries resulting from both firm commitments and planned option exercises through 2002 reduced by planned retirements. The bottom chart shows only firm commitments reduced by planned retirements as well as other potential lease expirations through 2005.

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
Staff VP Finance

Continental Airlines' Mid-Quarter Update

<u>Operating Statistics</u>	<u>2001 Estimated Year-over-Year Change</u>	
	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
CASM	(0.5) - 0.5%	0.0 - 1.0%
CASM Holding Fuel Price Constant	(2.0) - (1.0)%	0.0 - 1.0%
Fuel Gallons Consumed	2.0 - 2.5%	1.5 - 2.0%
Fuel Price (excluding fuel taxes)	81 - 85 cents	80 - 85 cents

<u>Financial</u>	<u>2001 Estimated Amounts</u>	
	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
Aircraft Rent	\$225 Million	\$910 Million
Net Interest Expense	\$45 Million	\$180 Million
Dividends on Preferred Stock of Trust	\$2.5 Million	\$9.5 Million

<u>ASMs 2001 (Quarterly)</u>	<u>Year-over-Year Percentage Change</u>				
	<u>1st(A)</u>	<u>2nd(E)</u>	<u>3rd(E)</u>	<u>4th(E)</u>	<u>Full Year(E)</u>
Domestic	4%	6%	6%	5%	5%
Latin America	2%	3%	0%	2%	2%
Europe	(5)%	(1)%	(6)%	4%	(2)%
Pacific	5%	36%	34%	27%	25%
System	2%	7%	5%	6%	5%
Continental Express	24%	21%	17%	20%	20%

<u>Load Factor</u>	<u>2001 Estimated Load Factor</u>	
	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
Continental	74 - 75%	73 - 74%
Continental Express	65 - 66%	62 - 63%

2001 EPS Estimated Share Count

	<u>2nd Qtr.(E)</u>	<u>Full Year(E)</u>
Average Diluted Shares	59.3 Million	57 Million

Continental Airlines Flexible Jet Fleet Plan

Includes Continental, Continental Micronesia and Continental Express Regional Jets

June 1, 2001 Fleet Plan

			Total @	Net Inductions and Exits		Total @		
	Jet		YE 2000	2001E	2002E	YE 2002E		
	777-200		16	-	2	18		
	DC10-30		17	(8)	(4)	5		
	767-400ER		4	2	10	16		
	767-200ER		3	7	-	10		
	757-300		-	2	6	8		
	757-200		41	-	-	41		
	737-900		-	10	5	15		
	737-800		58	15	20	93		
	MD-80		65	(6)	(10)	49		
	737-700		36	-	5	41		
	737-300		65	-	(2)	63		
	737-500		66	-	-	66		
	Total Jet		371	22	32	425		
	Regional Jet							
	ERJ-145XR		-	-	6	6		
	ERJ-145		78	29	33	140		
	ERJ-135		18	12	12	42		
	Total Regional Jet		96	41	51	188		
	Year End Total							
	Jet		371	393	425			
	Regional Jet		96	137	188			
	Total YE Jet Count		467	530	613			

Firm Commitments Less Planned Retirements and Other Lease Expirations

		Total @	Net Inductions and Exits					Total @
Jet		YE 2000	2001E	2002E	2003E	2004E	2005E	YE 2005E
777-200		16	-	2	-	-	-	18
DC10-30		17	(8)	(4)	(5)	-	-	-
767-400ER		4	2	10	4	2	2	24

767-200ER		3	7	-	-	-	-	10
757-300		-	2	6	7	-	-	15
757-200		41	-	-	-	-	-	41
737-900		-	10	5	-	-	-	15
737-800		58	15	20	-	-	-	93
MD-80		65	(8)	(13)	(13)	(14)	(17)	-
737-700		36	-	5	-	-	-	41
737-300		65	-	(4)	(18)	(12)	-	31
737-500		66	-	(1)	(2)	-	-	63
Total Jet		371	20	26	(27)	(24)	(15)	351
Regional Jet	-							
ERJ-145XR		-	-	6	31	36	2	75
ERJ-145		78	29	33	9	-	-	149
ERJ-135		18	12	12	8	-	-	50
Total Regional Jet		96	41	51	48	36	2	274
Year End Total	-							
Jet		371	391	417	390	366	351	
Regional Jet		96	137	188	236	272	274	
Total YE Jet Count		467	528	605	626	638	625	

**Merrill Lynch Transportation Conference
June 5, 2001**



Continental Airlines

Poised for the Future

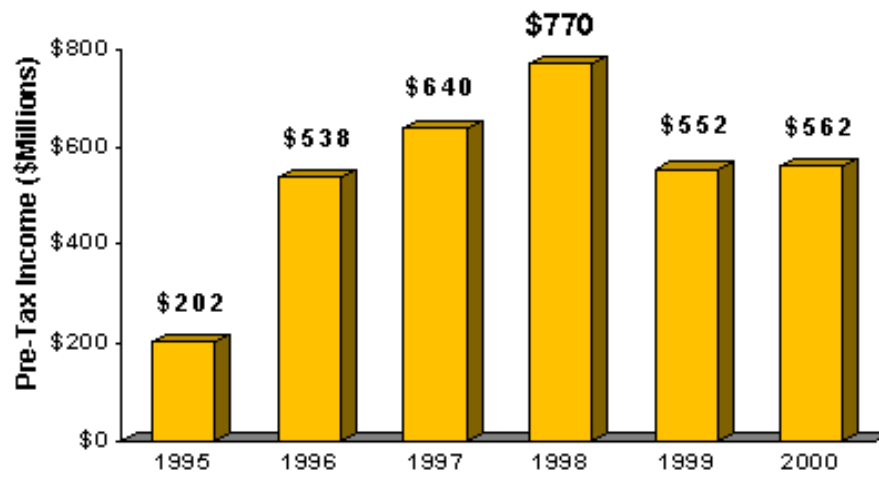
Please note that the discussion today may contain forward looking statements. Actual results could differ materially from those described in the forward looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward looking statements is contained in the company's Form 10-K and other securities filings with the Securities and Exchange Commission.



Continental

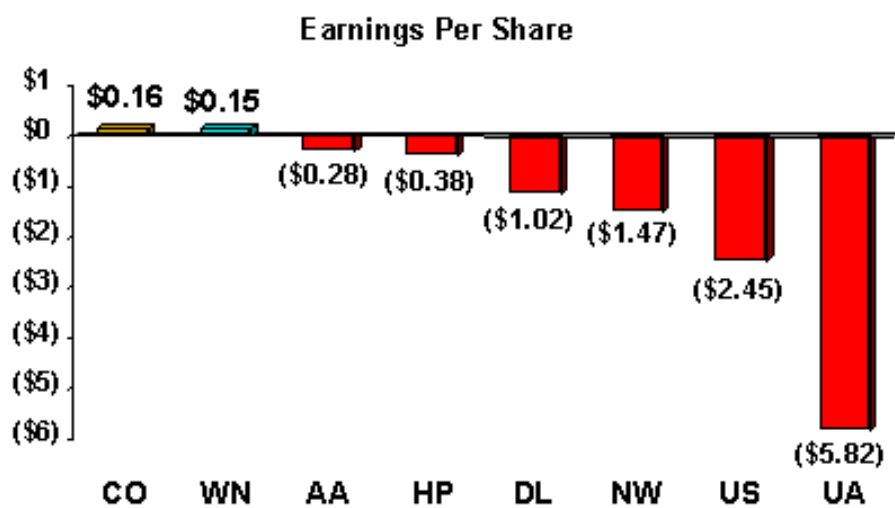
Stands Apart from the Pack

Six Years of Consistent Profitability



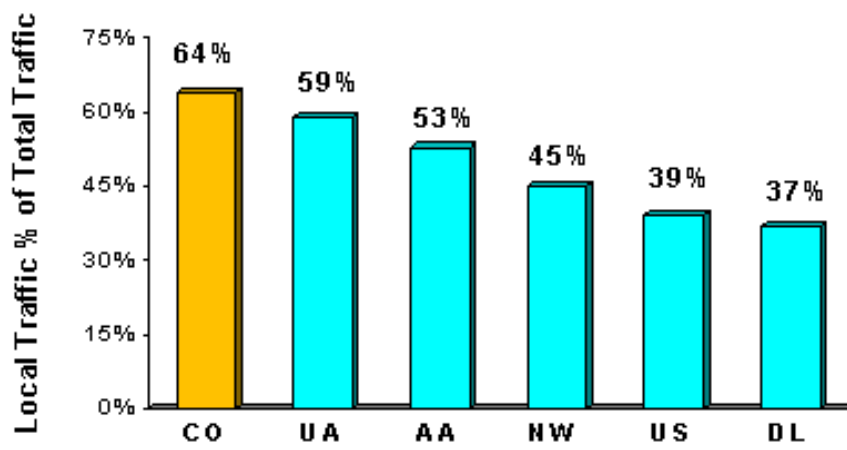
Excludes Special Charges & Gains

Only Two Airlines Profitable First Quarter



Source: First Call

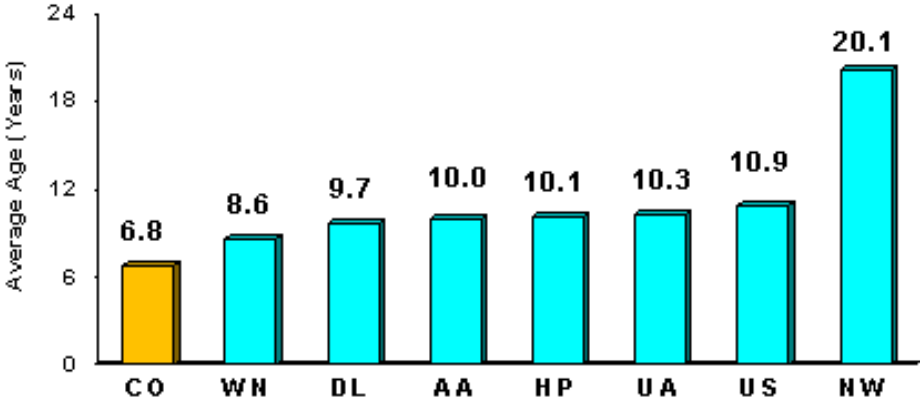
Stability Enhanced by Large Local Traffic Base



Source: LTM Q200 O&D Pax DB1A Data Worldwide

The Youngest Jet Fleet

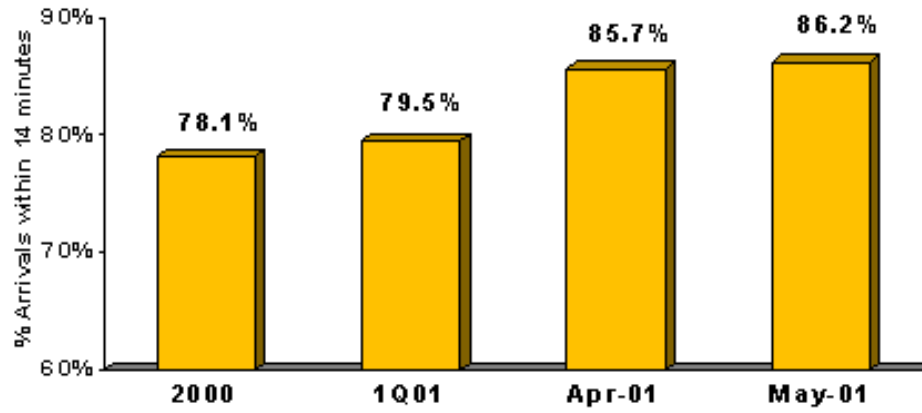
March 31, 2001



Source: Company reports and BACK Aviation Services
Data includes regional jets flown by carriers' wholly-owned subsidiaries

Consistent Strong Operational Integrity

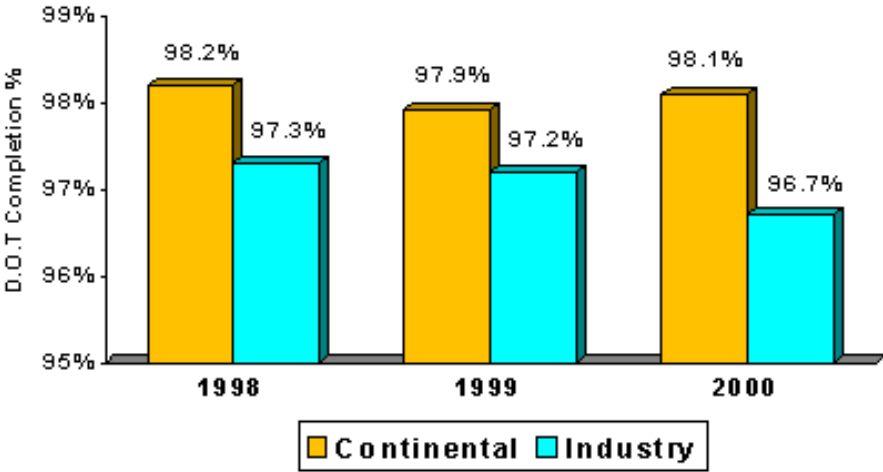
D.O.T On-Time



Ranking* **1st** **1st**

*Rank based on Top 10 US Major Carriers

Exceptional Completion Factor



Industry = Top 10 US Major Carriers

Industry Leading Product

Continental Initiatives:

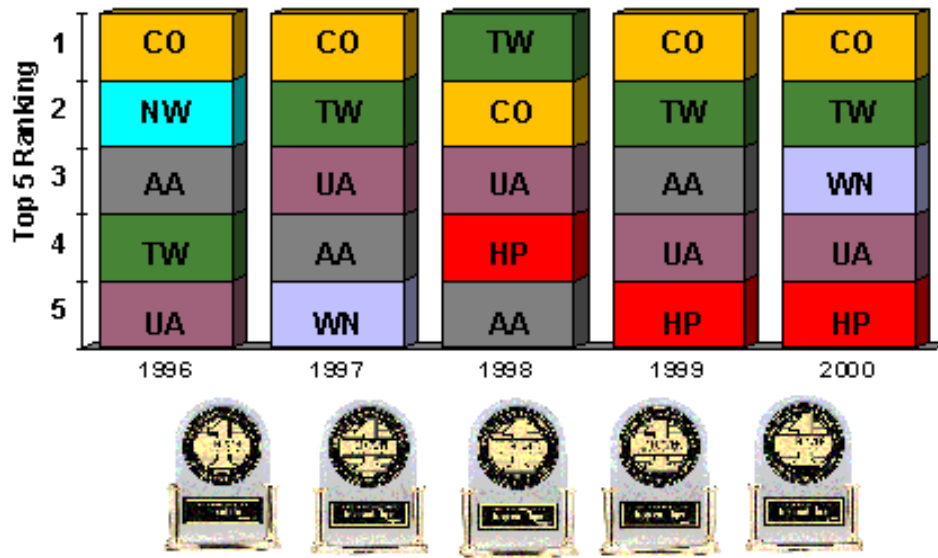
- **Oversize Bins / Full Size Closets**
- **Mid-Cabin Lavatory on 737 Aircraft**
- **Video on Narrowbody Aircraft**
- **Automated First Class Upgrades**
- **Best Frequent Flyer Program for Four Consecutive Years - *InsideFlyer's* Freddie Awards**

Other Major Carrier Initiatives:

- **Restrictive Luggage Sizers**
- **Reduced First Class Amenities**
- **Reduced Food Service**

Consistent High Customer Satisfaction

Long-Haul JD Power Award



High Employee Satisfaction

Fortune 100 Best Companies to Work For



----- Ranking -----

<u>Airline</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
CO	40	23	18
WN	4	2	4
AA	} Did Not Make List		
DL			
HP			
NW			
UA			
US			

Low Potential for Labor Disruption

- **Employee Agreements in Place**

<u>Labor Group</u>	<u>Amendable Date</u>
Mechanics	01/02
Pilots	10/02
Dispatchers	10/03
Flight Attendants	09/04

- **Average Time to Negotiate Employee Contracts*:**

Continental = 5 - 10 Months

Industry = 2 - 2.5 Years

*Years 1996 - 2000

Distinguished Industry Recognition

Air Transport World Airline of the Year

Domestic Airline Winners Since 1991

Continental	2001 & 1996
Delta	1998
Northwest/KLM	1997
Southwest	1991



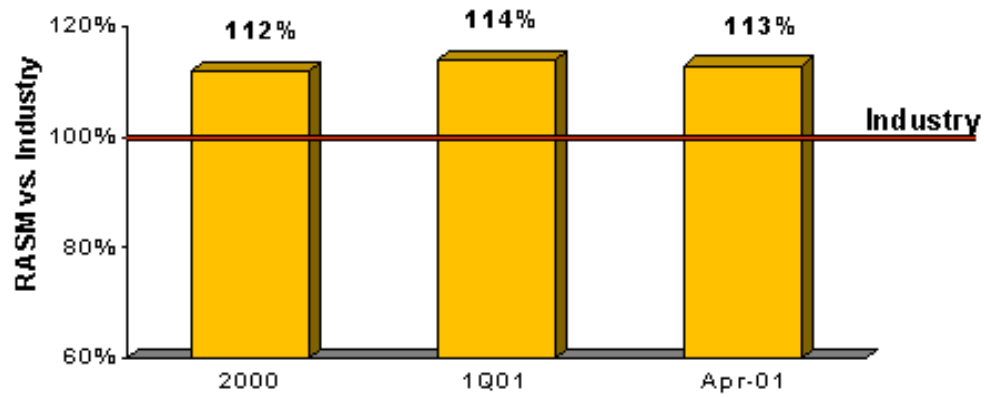
Business Overview

Profits Continue

<u>First Quarter (\$Millions)</u>	<u>2001</u>	<u>2000</u>	<u>2001 vs 2000 Better/(Worse)</u>
Operating Revenue	\$ 2,451	\$ 2,277	\$ 174
Operating Expense	<u>2,375</u>	<u>2,214</u>	<u>(161)</u>
Operating Earnings	76	63	13
Net Non-Op Expense	<u>57</u>	<u>40</u>	<u>(17)</u>
Net Income Before Taxes	19	23	(4)
Taxes/Other	<u>10</u>	<u>9</u>	<u>(1)</u>
Net Income	<u>\$ 9</u>	<u>\$ 14</u>	<u>\$ (5)</u>
ASMs (millions)	21,459	20,951	2.4%
Load Factor	70.4%	71.6%	(1.2)pts
Total Revenue per ASM	10.60¢	10.13¢	4.6%
Cost per ASM	9.91¢	9.68¢	(2.4)%
Fuel Cost / Gallon	85.58¢	82.89¢	(3.2)%

Excludes Special Gains and Charges

Maintaining Domestic RASM Premium

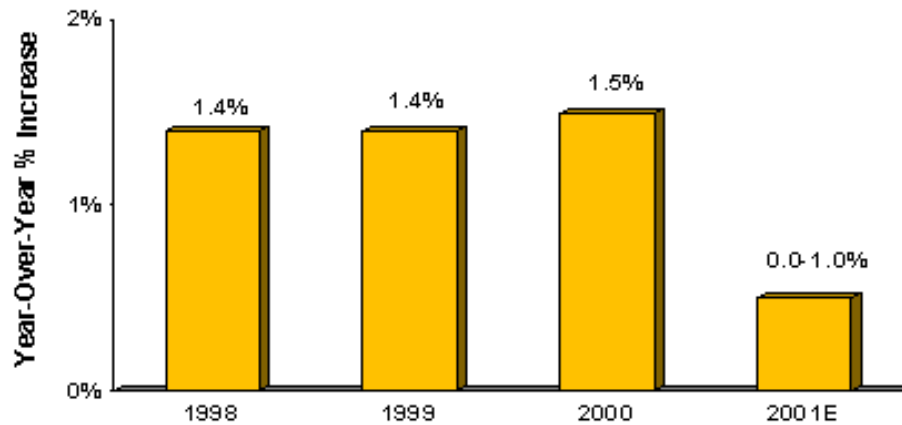


Length of Haul Adjusted

Source: ATA Industry Data; Industry = AA, AS, CO, DL, HP, NW, TW, TZ, UA, US

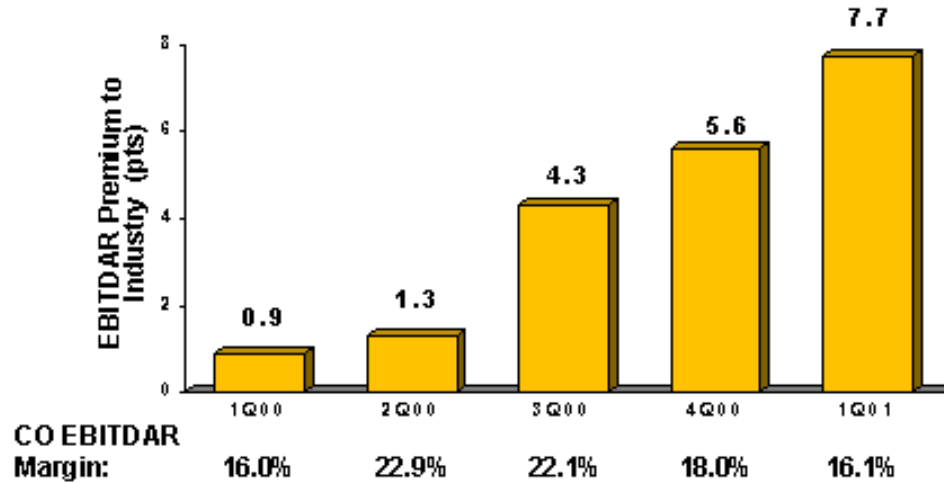
Costs are Being Managed

CASM Holding Fuel Rate Constant



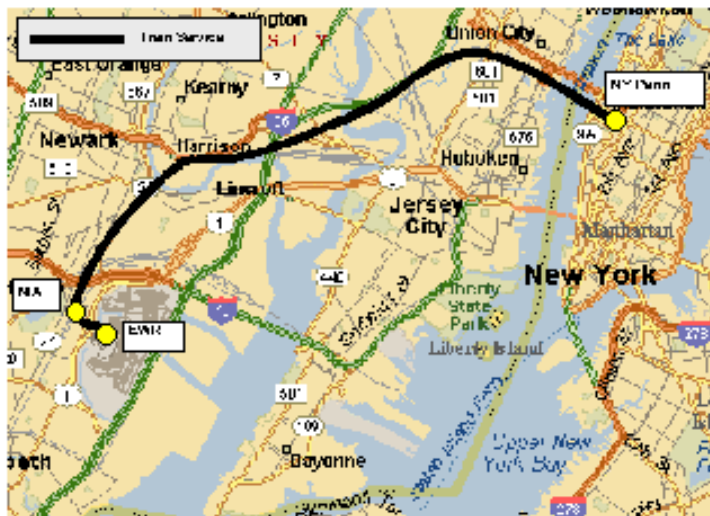


CO Maintains an EBITDAR Premium



Industry = AA, CO, DL, HP, NW, UA, US, WN

Direct Rail Service to Newark

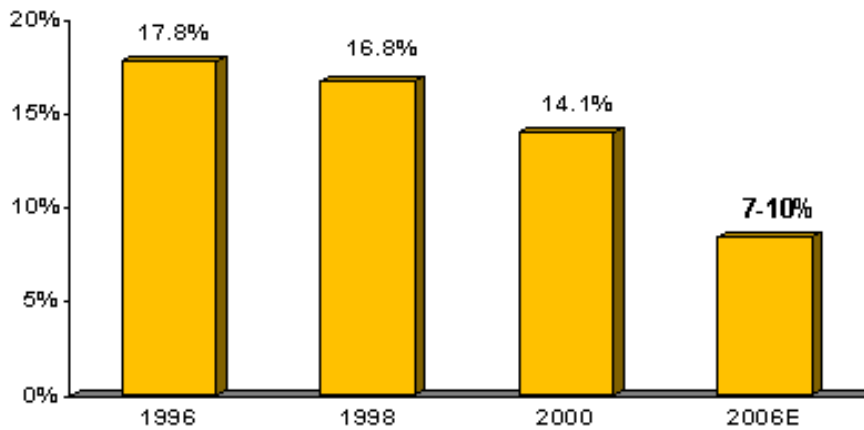


<u>Mode of Transport</u>	<u>Est. Travel Time*</u>	<u>Est. Cost</u>
Private Car Service	1 Hr 15 Min.	\$50-\$75
Direct Rail Service	30 Min.	\$9

*between 5-6:30p

Distribution Costs Decline

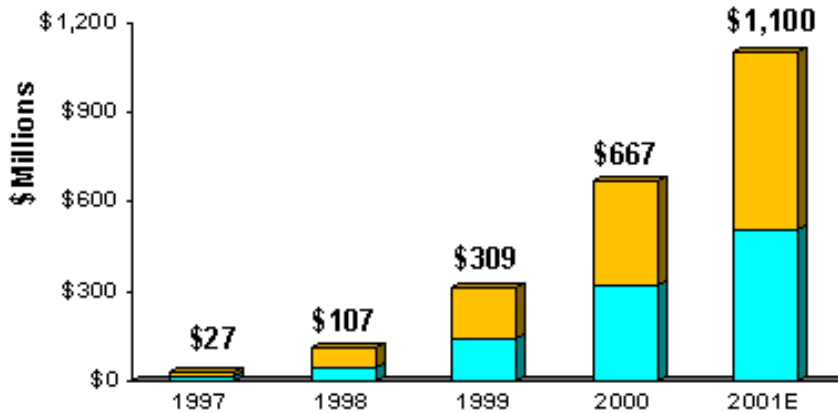
Distribution Costs as a % of Passenger Revenue



E-Tickets as
% of Sales

5% 29% 54% 100%

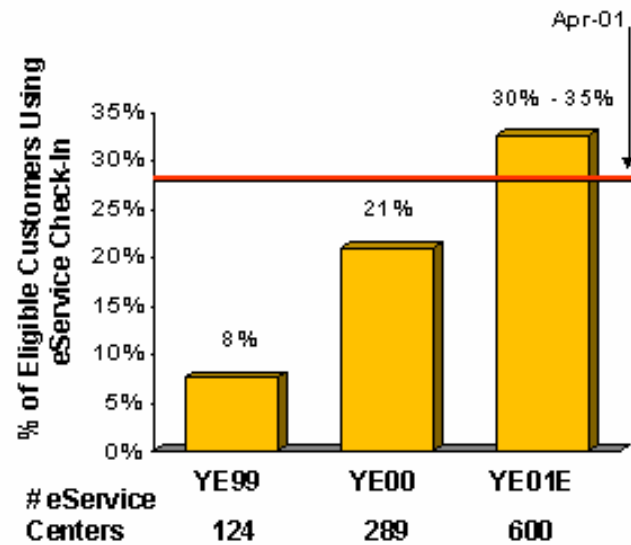
Rapid Growth of Internet Sales



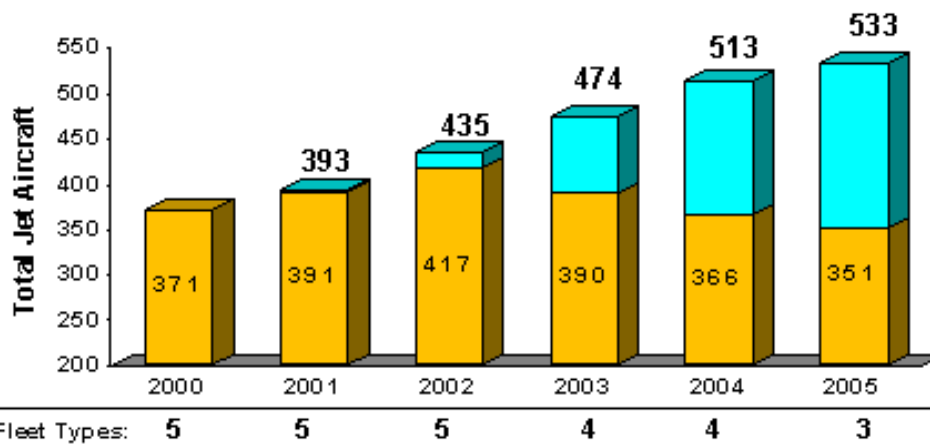
% of System Sales 0.4% 1.3% 3.3% 7.0% 11.0%

■ On-Line Travel Agency Sales ■ Continental Website Sales

Customers Embrace eService Check-In

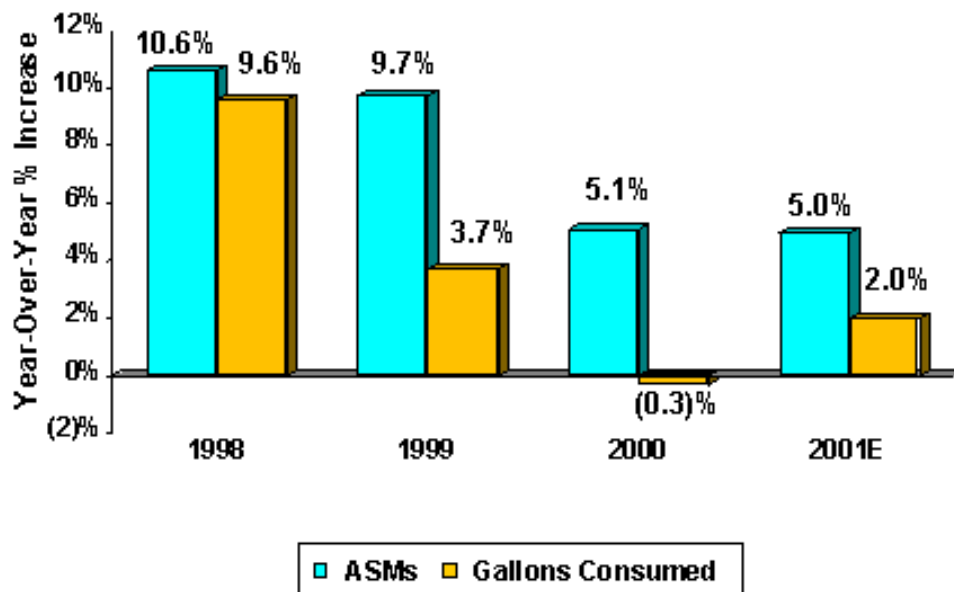


Market Driven Fleet Plan

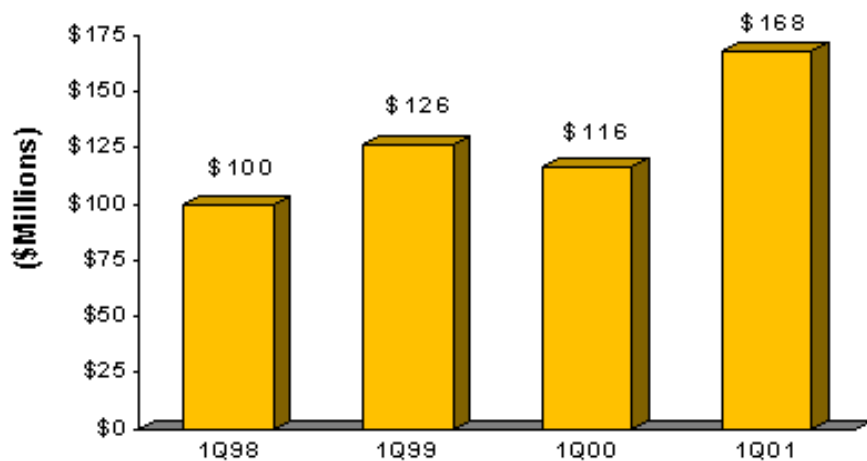


- Minimum = Committed fleet less lease expirations
- Maximum = Committed fleet and all options are exercised

Young, Fuel Efficient Fleet is a Natural Hedge



Strong First Quarter Cash Flow from Operations





Opportunities

Continental's High Return Low Risk Opportunities

	<u>Today</u>	<u>2006</u>	-----Goal----- <u>Annual Pretax Benefits</u>
● Dist. Cost % of Revenue	14.1%	7-10%	\$500 Million
● Low Risk Growth (Daily Departures)	2,494	3,397	\$175 Million
● Alliance Partners	19	22	\$100 Million
● Business Mix	48.3%	50-55%	\$100 Million
● Fleet Types	5	3	\$ 75 Million
			<hr/> \$950 Million

2001 - CO Poised for the Future

- **Excellent Employee Relations - No Open Labor Contracts**
- **Industry Leading Product**
- **RASM Premium to Industry**
- **Strong Local Market Provides Stability**
- **Strong Alliance Relationships**
- **Young, Fuel-Efficient Fleet with Natural Hedge**
- **Strong Management Team**



Continental Airlines