UNITED STATES

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 17, 2008**

CONTINENTAL AIRLINES, INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

1-10323	**74-2099724**
(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)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
	Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On July 17, 2008, Continental Airlines, Inc. (the "Company") issued a press release announcing its financial results for the second quarter of 2008. The press release contains certain non-GAAP financial information. The reconciliation of such non-GAAP financial information to GAAP financial measures is included in the press release and the schedules thereto. Further, the press release contains statements intended as "forward-looking statements," all of which are subject to the cautionary statement about forward-looking statements set forth therein. The press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

In accordance with SEC Release No. 33-8176, the information contained in such press release shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01. Regulation FD Disclosure.

On July 17, 2008, we will provide an update for investors presenting information relating to our financial and operational results for the second quarter of 2008, our outlook for the third quarter and full year 2008, and other information. The update is furnished herewith as Exhibit 99.2 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Second Quarter Earnings Press Release dated July 17, 2008
99.2	Investor Update

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 17, 2008

By /s/ Lori A. Gobillot

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Lori A. Gobillot

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Staff Vice President and Assistant General Counsel

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<u>EXHIBIT INDEX</u>

99.1	Second Quarter Earnings Press Release dated July 17, 2008
99.2	Investor Update

News Release

Contact: Corporate Communications

Houston: 713.324.5080

Email: corpcomm@coair.com

News archive: continental.com/company/news/ **Address:** P.O. Box 4607, Houston, TX 77210-4607

CONTINENTAL AIRLINES ANNOUNCES SECOND QUARTER LOSS

Record fuel prices hurt results for quarter

HOUSTON, July 17, 2008 - Continental Airlines (NYSE: CAL) today reported a second quarter 2008 net loss of $3 million ($0.03 diluted loss per share). Excluding $22 million of previously announced net after tax special items, Continental recorded a net loss of $25 million ($0.25 diluted loss per share).

The combination of record high fuel prices, weakening economic conditions and a weak dollar has resulted in the worst financial environment for U.S. network carriers since the 9/11 terrorist attacks.

"My co-workers are doing a great job working through the significant challenges facing our industry," said Larry Kellner, Continental's chairman and chief executive officer. "We will continue to work together to react to the market and maintain our focus on providing quality service to customers."

In response to these challenges, Continental implemented a number of initiatives in the second quarter of 2008 to maintain its competitive position in the industry and bolster its cash balance including:

- Announcing capacity reductions beginning in September 2008, which Continental expects will result in a 10-percent decline in domestic mainline capacity, a 15.4-percent decline in domestic mainline departures and a 6.7-percent decline in consolidated capacity in the fourth quarter 2008 compared to the same period 2007
- Accelerating the retirement of 67 Boeing 737-300 and 737-500 aircraft, removing a majority of the least fuel efficient aircraft from its mainline fleet by the end of 2009, driving the difficult decision to eliminate approximately 3,000 positions across all work groups
- Entering into a new seven-year capacity purchase agreement with ExpressJet Airlines, Inc. to provide regional jet service at lower rates, resulting in approximately $50 million of annual savings
- Raising approximately $900 million through a variety of initiatives including an amended credit card marketing agreement, issuance of common stock, sale of Continental's remaining equity interest in Copa Holdings, S.A. (Copa) and several secured borrowings
- Entering into framework agreements for a planned transition to the Star Alliance, linking worldwide networks and services of alliance members including United, Lufthansa, Air Canada, Singapore, ANA and Air China, to benefit customers and create revenue opportunities, cost savings and other efficiencies
- Implementing a new checked bag policy charging non-Elite customers on certain economy-class tickets a $25 service fee for a second checked bag, and numerous fuel surcharge and fare increases

Second Quarter Revenue and Capacity

Total revenue for the quarter of $4.0 billion increased 9.0 percent ($334 million) over the same period in 2007, as a result of increased fuel surcharges on passenger tickets and on cargo, as well as international growth, increased fees and fare increases. Passenger revenue grew 7.5 percent ($254 million) compared to the second quarter of last year.

"Despite solid operational and financial performance, we were unable to generate enough revenue to keep pace with the stratospheric increase in fuel prices," said Jeff Smisek, president. "We will continue to take actions to increase our revenue and decrease our costs, while preserving our culture and core product integrity."

Consolidated revenue passenger miles (RPMs) for the quarter increased 0.5 percent

year-over-year on a capacity increase of 2.7 percent, resulting in a second quarter consolidated load factor of 81.4 percent, 1.8 points below the second quarter record set in 2007.

Consolidated yield for the quarter increased 7.0 percent year-over-year. Consolidated revenue per available seat mile (RASM) for the quarter increased 4.6 percent year-over-year due to increased yields.

Mainline RPMs in the second quarter of 2008 decreased 0.2 percent compared to the second quarter 2007, on a capacity increase of 2.0 percent. Mainline load factor was 81.7 percent, down 1.8 points year-over-year. Mainline yield increased 6.0 percent over the same period in 2007. As a result, second quarter 2008 mainline RASM was up 3.8 percent over the second quarter of 2007.

Passenger revenue for the second quarter of 2008 and period-to-period comparisons of related statistics by geographic region for the company's mainline operations and regional operations are as follows:

	Passenger Revenue (in millions)	Percentage Increase (Decrease) in Second Quarter 2008 vs. Second Quarter 2007		
		Passenger Revenue	RASM	ASMs
Domestic	$1,504	2.1 %	5.2 %	(2.9)%
Trans-Atlantic	805	12.4 %	(1.3)%	14.0 %
Latin America	435	11.4 %	6.3 %	4.8 %
Pacific	240	0.0 %	7.4 %	(6.9)%
Total Mainline	$2,984	5.8 %	3.8 %	2.0 %
Regional	$ 666	15.6 %	6.4 %	8.6 %
Consolidated	$3,650	7.5 %	4.6 %	2.7 %

Second Quarter Operational Accomplishments

During the quarter, Continental recorded a U.S. Department of Transportation (DOT) on-time arrival rate of 73.1 percent and a systemwide mainline segment completion factor of 99.5 percent.

For the fifth straight year, Continental was named the "Best Airline in North America" at the 2008 OAG Airline of the Year Awards.

In conjunction with the Transportation Security Administration (TSA), Continental expanded its paperless boarding pass pilot program, already in place at its Houston hub, to include its New York hub at Newark Liberty International Airport as well as Washington National Airport and Boston's Logan International Airport. The program allows customers to receive boarding passes electronically on their cell phones or PDAs, which are scanned by TSA security officers at the checkpoint and can be used to board Continental's flights, eliminating the need for paper boarding passes.

During the quarter, Continental launched the first-ever nonstop seasonal service between its hub at Cleveland Hopkins International Airport and Charles de Gaulle Airport in Paris, France.

High Fuel Costs Taking a Toll

Continental's mainline cost per available seat mile (CASM) increased 15.1 percent (down 4.8 percent holding fuel rate constant and excluding special charges) in the second quarter compared to the same period last year. The company's average price per mainline gallon of fuel, including fuel taxes, increased 66.2 percent year-over-year.

"We had another quarter of outstanding cost control excluding the impact of fuel," said Jeff Misner, Continental's executive vice president and chief financial officer. "The entire team continues to impress me with their ability to find new ways to do things better and more efficiently, helping us mitigate rising fuel costs."

Record-high jet fuel prices are adversely affecting the company's financial results. In the second quarter of 2008, the price of a barrel of West Texas Intermediate crude oil averaged almost $119 per barrel compared to less than $65 per barrel for the same period last year, with crude oil prices peaking at $140.21 per barrel and Gulf Coast jet fuel peaking at $169.79 per barrel during the quarter. Mainline fuel costs increased 66 percent ($542 million) in the second quarter compared to the second quarter of 2007.

During the quarter, Continental also incurred additional fuel costs of $124 million year-over-year that were included as part of its regional capacity purchase cost. As a result, the total year-over-year impact of higher fuel costs on the company for the second quarter was $666 million, accounting for the company's increase in operating expenses compared to the second quarter of 2007. Continental's annualized fuel costs increase by approximately $43 million for each $1-per-barrel rise in the price of crude oil.

During the quarter, Continental recognized a total of $112 million in fuel hedging gains. Of this total, $79 million of realized gains were included as operating expenses when the underlying fuel hedged was used. The remaining $33 million are unrealized gains which relate to fuel hedges for the third quarter of 2008 and beyond which under accounting rules were required to be recognized in the second quarter. This $33 million of gains, which are included in the company's statement of operations under nonoperating income (expense), were caused by the company's hedge positions in crude and heating oil experiencing a relatively higher increase in value than the jet fuel being hedged.

As of July 16, 2008, Continental had hedged approximately 63 percent of the company's projected consolidated fuel requirements for the third and fourth quarters of 2008, and had hedged approximately 29 percent of its projected consolidated fuel requirements for the first half of 2009.

Other Financial Accomplishments

During the quarter, Continental completed a public offering of 11 million shares of its common stock, raising net proceeds of $162 million, and sold its remaining equity stake in Copa, raising net proceeds of $149 million.

In June 2008, Continental amended its bankcard joint marketing agreement with Chase bank, under which Chase purchases frequent flyer mileage credits to be earned by OnePass members for making purchases using a Continental Airlines credit card issued by Chase. Under the agreement, Continental received a payment of $413 million, of which $235 million related to the advance purchase of frequent flyer mileage credits and the balance of which is in consideration of certain other commitments with respect to the co-branding relationship, including the extension of the term of the agreement until December 31, 2016.

During the second quarter, Continental closed transactions to borrow approximately

$208 million under various debt agreements, secured by aircraft purchase agreements and mainline jet aircraft. The company received net proceeds of $173 million and expects to receive the remaining borrowings in the fourth quarter of 2008.

Continental ended the second quarter with approximately $3.4 billion in unrestricted cash and short-term investments, excluding all student loan related auction rate securities.

Fleet Changes Improve Efficiency

The company continues to improve fuel efficiency by adding modern, fuel efficient aircraft to its fleet and installing winglets on additional aircraft. During the quarter, the company took delivery of six new Boeing 737-900ER aircraft, which have one of the lowest operating costs in the fleet and allow Continental to serve high demand markets more efficiently. The company also took delivery of four new Boeing 737-800 aircraft in the quarter.

Continental's young, fuel efficient fleet provides a natural hedge against rising jet fuel costs. The carrier is about 35 percent more fuel efficient per mainline revenue passenger mile than it was in 1997.

During the quarter, Continental installed winglets on two of the company's 737-500s and seven 737-900 aircraft, and now has winglets on 244 of its mainline aircraft. All of the company's 737-700s, 800s, 900ERs and 757-200s have winglets, as do select airplanes from Continental's 737-300,

-500 and -900 series fleets. Winglets increase aerodynamic efficiency and decrease drag, reducing fuel consumption and emissions by up to five percent.

In addition, Continental announced it will accelerate the retirement of 67 Boeing 737-300 and 737-500 aircraft from its fleet by the end of 2009, with 27 of these aircraft to be removed from service in September 2008.

Other Matters

Continental contributed $24 million to its defined benefit pension plans during the second quarter of 2008. On July 16, 2008, Continental contributed an additional $18 million for a total of $102 million in contributions to its defined benefit pension plans this year, satisfying the company's required minimum contributions for calendar year 2008. Given current market conditions, the company does not plan to make additional contributions this year.

Continental entered into a new seven-year capacity purchase agreement (CPA) with ExpressJet, effective July 1, 2008. Under the amended CPA, ExpressJet will provide regional jet service for Continental at rates that are lower than rates under its prior agreement and more competitive with those offered by other regional service providers. The amended CPA covers a minimum of 205 regional jets in the first year and adjusts to 190 regional jets thereafter, subject to lease expirations.

In June 2008, Continental entered into a framework agreement with United Airlines to link networks and cooperate extensively on frequent flier programs, lounges, facility utilization, information technology and procurement services worldwide to the benefit of customers. In addition, Continental will apply to join the already established antitrust immunized alliance among United, Lufthansa, Air Canada and certain other members of the Star Alliance, with the goal of entering into international joint ventures with United and other members of the Star Alliance.

Corporate Background

Continental Airlines is the world's fifth largest airline. Continental, together with Continental Express and Continental Connection, has more than 3,000 daily departures throughout the Americas, Europe and Asia, serving 140 domestic and 139 international destinations. More than 550 additional points are served via SkyTeam alliance airlines. With more than 46,000 employees, Continental has hubs serving New York, Houston, Cleveland and Guam, and together with Continental Express, carries approximately 69 million passengers per year. Continental consistently earns awards and critical acclaim for both its operation and its corporate culture. For more company 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

and news media at 9:30 a.m. CT/10:30 a.m. ET. To listen to a live broadcast of this briefing, go to continental.com/About Continental /Investor Relations.

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. 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 2007 Form 10-K and its other securities filings, including any amendments thereto, which identify important matters such as the consequences of the company's high leverage, the significant cost of aircraft fuel, its transition to a new global alliance, delays in scheduled aircraft deliveries, its high labor and pension costs, service interruptions at one of its hub airports, disruptions to the operations of its regional operators, disruptions in its computer systems, and industry conditions, including the airline pricing environme nt, industry capacity decisions, industry consolidation, terrorist attacks, regulatory matters, excessive taxation, the availability and cost of insurance, public health threats, an economic downturn in the U.S. and global economies and the seasonal nature of the airline business. The company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this press release, except as required by applicable law.

-tables attached-

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

STATEMENTS OF OPERATIONS

(In millions, except per share data) (Unaudited)

	Three Months Ended June 30, 2008	Three Months Ended June 30, 2007	% Increase/ (Decrease)	Six Months Ended June 30, 2008	Six Months Ended June 30, 2007	% Increase/ (Decrease)
Operating Revenue:						
Passenger (excluding fees and taxes of $408, $391, $784 and $737)	$3,650	$3,396	7.5 %	$6,873	$6,291	9.3 %
Cargo	132	109	21.1 %	254	216	17.6 %
Other, net	262	205	27.8 %	487	382	27.5 %
	4,044	3,710	9.0 %	7,614	6,889	10.5 %
Operating Expenses:						
Aircraft fuel and related taxes	1,363	821	66.0 %	2,411	1,505	60.2 %

Wages, salaries and related costs	704	842	(16.4)%	1,432	1,568	(8.7)%
Regional capacity purchase, net	589	444	32.7 %	1,095	873	25.4 %
Aircraft rentals	246	248	(0.8)%	493	496	(0.6)%
Landing fees and other rentals	210	190	10.5 %	418	384	8.9 %
Distribution costs	194	176	10.2 %	375	337	11.3 %
Maintenance, materials and repairs	167	169	(1.2)%	326	313	4.2 %
Depreciation and amortization	108	101	6.9 %	215	200	7.5 %
Passenger services	107	99	8.1 %	203	189	7.4 %
Special charges (A)	58	7	NM	50	18	NM
Other	369	350	5.4 %	733	679	8.0 %
	4,115	3,447	19.4 %	7,751	6,562	18.1 %
Operating Income (Loss)	(71)	263	NM	(137)	327	NM
Nonoperating Income (Expense):						
Interest expense	(88)	(97)	(9.3)%	(179)	(193)	(7.3)%
Interest capitalized	8	6	33.3 %	17	11	54.5 %
Interest income	16	41	(61.0)%	40	77	(48.1)%
Income from other companies	6	5	20.0 %	10	10	-
Gain on sale of investments (A)	78	-	NM	78	7	NM
Other, net (B)	5	14	(64.3)%	-	15	(100.0)%
	25	(31)	NM	(34)	(73)	(53.4)%
Income (Loss) before Income Taxes	(46)	232	NM	(171)	254	NM
Income Tax Benefit (Expense) (C)	43	(4)	NM	88	(4)	NM
Net Income (Loss)	$ (3)	$ 228	NM	$ (83)	$ 250	NM
Earnings (Loss) per Share:						
Basic	$(0.03)	$ 2.35	NM	$(0.84)	$ 2.60	NM
Diluted	$(0.03)	$ 2.03	NM	$(0.84)	$ 2.26	NM
Shares used for Computation:						
Basic	99	97	2.1 %	99	96	3.1 %
Diluted	99	115	(13.9)%	99	115	(13.9)%

A. The company recorded special items for the three and six months ended June 30, 2008 and 2007 as follows (in millions):

	Three Months Ended June 30,		Year Ended June 30,	
	2008	2007	2008	2007
Aircraft related charges and gains on sales of aircraft	$ 41	$ -	$ 33	$ 6
Other costs related to capacity reductions	7	-	7	-
Pension settlement charges	-	7	-	12
Other	10	-	10	-
Subtotal special charges	$ 58	$ 7	$ 50	$ 18
Gain on sale of Copa Holdings, S.A.	$ 78	$ -	$ 78	$ -
Gain on sale of ExpressJet Holdings, Inc.	-	-	-	7
Gain on sale of investments	$ 78	$ -	$ 78	$ 7

B. Other, net includes a special loss of $29 million in the three and six months ended June 30, 2008 associated with a write-down of student loan-related auction rate securities. Also included in other, net for the three months ended June 30, 2008 and 2007 and the six months ended June 30, 2008 and 2007 are $33 million, $10 million, $33 million and $11 million, respectively, of gains related to fuel hedge ineffectiveness.

C. During the three and six months ended June 30, 2008, the company recorded a non-cash income tax credit of $28 million resulting from higher utilization of net operating loss carryforwards than had previously been anticipated.

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

STATISTICS

	Three Months Ended June 30,		% Increase/ (Decrease)	Six Months Ended June 30,		% Increase/ (Decrease)
	2008	2007		2008	2007	
Mainline Operations:						
Passengers (thousands)	13,000	13,417	(3.1)%	25,196	25,362	(0.7)%
Revenue passenger miles (millions)	22,017	22,065	(0.2)%	41,940	41,155	1.9 %
Available seat miles (millions)	26,933	26,415	2.0 %	52,211	50,538	3.3 %
Cargo ton miles (millions)	263	253	4.0 %	524	507	3.4 %
Passenger load factor:						
Mainline	81.7%	83.5%	(1.8) pts.	80.3%	81.4%	(1.1) pts.
Domestic	84.7%	85.9%	(1.2) pts.	83.4%	83.6%	(0.2) pts.
International	78.8%	81.0%	(2.2) pts.	77.3%	79.1%	(1.8) pts.

Passenger revenue per available seat mile (cents)	11.08	10.67	3.8 %	10.85	10.32	5.1 %
Total revenue per available seat mile (cents)	12.49	11.85	5.4 %	12.22	11.51	6.2 %
Average yield per revenue passenger mile (cents)	13.55	12.78	6.0 %	13.50	12.67	6.6 %
Cost per available seat mile (CASM) (cents) (A)	12.45	10.82	15.1 %	12.13	10.69	13.5 %
Special charges per available seat mile (cents)	0.16	0.03	NM	0.09	0.04	NM
CASM, holding fuel rate constant (cents) (A)	10.43	10.82	(3.6)%	10.44	10.69	(2.3)%
Average price per gallon of fuel, including fuel taxes (cents)	345.45	207.89	66.2 %	313.40	199.10	57.4 %
Fuel gallons consumed (millions)	395	395	-	769	756	1.7 %
Actual aircraft in fleet at end of period	375	368	1.9 %	375	368	1.9 %
Average length of aircraft flight (miles)	1,497	1,448	3.4 %	1,477	1,433	3.1 %
Average daily utilization of each aircraft (hours)	11:34	11:55	(2.8)%	11:23	11:32	(1.3)%
Regional Operations: (B)						
Passengers (thousands)	4,962	4,703	5.5 %	9,205	8,934	3.0 %
Revenue passenger miles (millions)	2,729	2,558	6.7 %	5,085	4,918	3.4 %
Available seat miles (millions)	3,450	3,177	8.6 %	6,548	6,303	3.9 %
Passenger load factor	79.1%	80.5%	(1.4) pts.	77.7%	78.0%	(0.3) pts.
Passenger revenue per available seat mile (cents)	19.31	18.14	6.4 %	18.47	17.07	8.2 %
Average yield per revenue passenger mile (cents)	24.41	22.53	8.3 %	23.78	21.88	8.7 %
Actual aircraft in fleet at end of period (C)	278	257	8.2 %	278	257	8.2 %
Consolidated Operations (Mainline and Regional):						
Passengers (thousands)	17,962	18,120	(0.9)%	34,401	34,296	0.3 %
Revenue passenger miles (millions)	24,746	24,623	0.5 %	47,025	46,073	2.1 %
Available seat miles (millions)	30,383	29,592	2.7 %	58,759	56,841	3.4 %
Passenger load factor	81.4%	83.2%	(1.8) pts.	80.0%	81.1%	(1.1) pts.
Passenger revenue per available seat mile (cents)	12.01	11.48	4.6 %	11.70	11.07	5.7 %
Average yield per revenue passenger mile (cents)	14.75	13.79	7.0 %	14.62	13.65	7.1 %

A. Includes impact of special charges.

B. Consists of flights operated under capacity purchase agreements with Continental's regional carriers ExpressJet, Colgan, Chautauqua and CommutAir.

C. Includes aircraft operated by all carriers under capacity purchase agreements but excludes any aircraft operated by ExpressJet outside the scope of the ExpressJet capacity purchase agreement.

CONTINENTAL AIRLINES, INC. AND SUBSIDIARIES

NON-GAAP FINANCIAL MEASURES

	Three Months

	Three Months Ended June 30, 2008
Net Income (Loss) (in millions)	
Net income (loss)	$ (3)
Special items:	
Special charges, net of tax	37
Gain on sale of investments, net of tax	(49)
Write down of student loan-related auction rate securities, net of tax	18
Special tax credit	(28)
Total special items, net of tax	(22)
Net loss, excluding special items (A)	$(25)

	Three Months Ended June 30, 2008
Earnings (Loss) per Share	
Diluted earnings (loss) per share	$(0.03)
Special items:	
Special charges, net of tax	0.37
Gain on sale of investments, net of tax	(0.49)
Write down of student loan-related auction rate securities, net of tax	0.18
Special tax credit	(0.28)
Diluted loss per share, excluding special items (A)	$(0.25)

	Three Months Ended June 30,		% Increase/ (Decrease)	Six Months Ended June 30,		% Increase/ (Decrease)
	2008	2007		2008	2007	
CASM Mainline Operations (cents)						
Cost per available seat mile (CASM)	$12.45	$10.82	15.1 %	$12.13	$10.69	13.5 %

Less: Current year fuel cost per available seat mile (B)	(5.06)	- -	NM	(4.62)	- -	NM
Add: Current year fuel cost at prior year fuel price per available seat mile (B)	3.04	-	NM	2.93	-	NM
CASM, holding fuel rate constant (A)	10.43	10.82	(3.6)%	10.44	10.69	(2.3)%
Less: Special charges	(0.16)	(0.03)	NM	(0.06)	(0.04)	NM
CASM, holding fuel rate constant and excluding special charges (A)	$10.27	$10.79	(4.8)%	$10.38	$10.65	(2.5)%

A. These financial measures provide management and investors the ability to measure and monitor Continental's performance on a consistent basis.

B. Both the cost and availability of fuel are subject to many economic and political factors and are therefore beyond the company's control.

###

Continental Airlines

Exhibit 99.2
DeAnne Gabel
Director - Investor Relations

Investor Update **Issue Date: July 17, 2008**

This investor update provides information on Continental's second quarter 2008 performance and guidance for the third quarter and full year 2008.

Six Week Outlook

The Company is comfortable with its forward bookings over the next six weeks. The Company continues to see year-over-year (yoy) yield increases throughout all regions. Consolidated domestic bookings for the next six weeks are running about flat as compared to last year. Mainline Latin bookings are running 4 - 5 points ahead of last year. Transatlantic bookings are running about flat as compared to last year. Pacific bookings are running
4 - 5 points behind last year.

For the third quarter, the Company expects both consolidated and mainline load factors to be about flat yoy.

Targeted Unrestricted Cash and Short Term Investments Balance

The Company ended the second quarter with approximately $3.4 billion in unrestricted cash and short-term investments. This balance excludes all student loan-related auction securities, which are classified as long-term investments.

Continental anticipates ending the third quarter of 2008 with an unrestricted cash and short-term investments balance of between $2.8 and $2.9 billion. This balance excludes all student loan-related auction rate securities, which are classified as long-term investments.

Cargo, Mail, and Other Revenue

Continental estimates Cargo, Mail, and Other Revenue will be between $390 and $400 million for the third quarter 2008.

Available Seat Miles (ASMs)	2008 Estimate Year-over-Year % Change	
	3rd Qtr.(E)	Full Year (E)
Mainline		
Domestic	(2.8)%	(4.1)%
Latin America	1.0 %	1.5 %
Transatlantic	7.2 %	9.6 %
Pacific	(7.1)%	(5.8)%
Total Mainline	0.0 %	(0.2)%
Regional	8.4 %	3.3 %
Consolidated		
Domestic	(0.5)%	(2.7)%
International	2.6 %	4.1 %
Total Consolidated	0.8 %	0.2 %

For the full year 2009, Continental expects its mainline capacity to be down between 1% to 3% yoy, with its mainline domestic capacity down 4% to 6% yoy.

Load Factor	2008 Estimate	
	3rd Qtr.(E)	Full Year (E)
Domestic	84 - 85 %	83 - 84 %
Latin America	84 - 85 %	81 - 82 %
Transatlantic	82 - 83 %	77 - 78 %
Pacific	80 - 81 %	76 - 77 %
Total Mainline	83 - 84 %	81 - 82 %
Regional	77 - 78 %	77 - 78 %
Consolidated	82 - 83 %	80 - 81 %

Continental's month-to-date consolidated load factor is updated daily and can be found on continental.com on the Investor Relations page under the About Continental menu.

Second Quarter 2008 Domestic Performance on a hub by hub basis

Continental's second quarter 2008 consolidated domestic capacity at its New York Liberty hub was down 1.3%, with traffic down 5.4%, resulting in a load factor decrease of 3.6 pts. Transcon capacity, which is a subset of New York Liberty capacity, was down 1.4% yoy in the second quarter while traffic was down 3.0%, resulting in a load factor decline of 1.4 pts. Consolidated domestic capacity at its Houston hub was down 2.1% yoy, with traffic down 1.9%, resulting in a load factor increase of 0.2 pt. Consolidated domestic capacity at its Cleveland hub was up 8.0% yoy, with traffic up 5.7%, resulting in a load factor decline of 1.8 pts.

Pension Expense and Contributions

Year-to-date, the Company has contributed $102 million to its defined benefit pension plans, satisfying the Company's minimum required contributions during calendar year 2008. Given the current market conditions, the Company does not plan to make additional contributions this year.

Continental estimates that its non-cash pension expense will be approximately $85 million for the year.

Mainline Operating Statistics	2008 Estimate (cents)	
	3rd Qtr.(E)	Full Year(E)
CASM	13.04 - 13.09	12.69 - 12.74
Special Items per ASM (a)	- -	(0.03)
CASM Less Special Items (b)	13.04 - 13.09	12.66 - 12.71
Aircraft Fuel & Related Taxes per ASM	(5.72)	(5.15)
CASM Less Special Items and Aircraft Fuel & Related Taxes (c)	7.32 - 7.37	7.51 - 7.56

Consolidated Operating Statistics	2008 Estimate (cents)	
	3rd Qtr.(E)	Full Year (E)
CASM	14.07 - 14.12	13.74 - 13.79
Special Items per ASM (a)	- -	(0.04)
CASM Less Special Items (b)	14.07 - 14.12	13.70 - 13.75
Aircraft Fuel & Related Taxes per ASM	(6.13)	(5.52)
CASM Less Special Items and Aircraft Fuel & Related Taxes (c)	7.94 - 7.99	8.18 - 8.23

The Company anticipates that it will record additional special charges in the third quarter of 2008 and beyond in conjunction with these capacity reductions for future costs including future lease costs on grounded aircraft as the aircraft are grounded, severance and continuing medical coverage for employees accepting early retirement packages and furloughed employees and other associated costs. We are not able at this time to estimate the amount and timing of these charges.

Stock Based Compensation

For the second quarter 2008 Continental recorded $2 million in stock option expense and expects to record approximately $4 million and $2 million for the third and fourth quarters of 2008, respectively.

Continental has granted profit based restricted stock unit ("RSU") awards pursuant to its Long-Term Incentive and RSU Program. Expense for these awards is recognized ratably over the required service period, with changes in the price of the Company's common stock and the payment percentage (which is tied to varying levels of cumulative profit sharing), resulting in a corresponding increase or decrease in "Wages, Salaries, and Related Costs" in the Company's consolidated statements of operations. The closing stock price of $10.11 on June 30, 2008 was used in estimating the expense impact of the awards for the Company's 2008 cost estimates included herein. Based on the Company's current assumptions regarding payment percentages and the cumulative profit sharing targets to be achieved pursuant to the awards, the Company estimates that a $1 increase or decrease in the price of its common stock from June 30, 2008 will result in an increase or decrease of approximately $3 million in Wages, Salaries, a nd Related Costs attributable to the awards to be recognized in the third quarter 2008. For more information regarding these awards, including performance periods and how the Company accrues for the awards, please see the Company's 2007 Form 10-K.

Fuel Gallons Consumed	2008 Estimate	
	3rd Qtr.(E)	Full Year (E)
Mainline	397 Million	1,512 Million
Regional	82 Million	314 Million
Fuel Price per Gallon (including fuel taxes and impact of hedges)	$3.92	$3.50

Fuel Hedges as of July 16, 2008

For the third quarter 2008, Continental has hedged approximately 63% of its projected consolidated fuel requirements as follows:

- approximately 21% hedged using zero cost collars in heating oil with an average call price of $3.54 per gallon and an average put price of $3.26 per gallon;
- approximately 33% hedged using zero cost collars in NYMEX crude oil with an average call price of $140.81 per barrel and an average put price of $121.90 per barrel;
- and, approximately 9% using call options in NYMEX crude oil with an average call price of $142.80 per barrel.

For the fourth quarter 2008, Continental has hedged approximately 65% of its projected consolidated fuel requirements as follows:

- approximately 29% using zero cost collars in NYMEX crude oil with an average call price of $143.92 per barrel and an average put price of $126.25 per barrel;
- approximately 32% using call options in NYMEX crude oil with an average call price of $135.00 per barrel;
- and, approximately 4% using zero cost collars in heating oil with an average call price of $3.96 per gallon and an average put price of $3.63 per gallon.

For the first quarter 2009, Continental has hedged approximately 35% of its projected consolidated fuel requirements as follows:

- approximately 24% using collars in NYMEX crude oil with an average call price of $150.99 per barrel and an average put price of $113.72 per barrel;
- and, approximately 11% using call options in NYMEX crude oil with an average call price of $135.00 per barrel.

For the second quarter 2009, Continental has hedged approximately 24% of its projected consolidated fuel requirements using approximately 24% using collars in NYMEX crude oil with an average call price of $151.19 per barrel and an average put price of $114.54 per barrel.

For the un-hedged portion of its consolidated fuel requirements for the second half of 2008, the Company is assuming an average cost per barrel for crude oil based on the forward curve as of July 9, 2008 of $137.23 and $138.08 for the third and fourth quarters, respectively. The company is assuming an average jet fuel crack spread of approximately $24.92 for the full year.

Selected Expense Amounts	2008 Estimated Amounts ($Millions)	
	3rd Qtr.(E)	Full Year (E)

Aircraft Rent	$245	$963
Depreciation & Amortization	$113	$439
Net Interest Expense	$68	$259

Continental Airlines, Inc. Tax Computation

The Company began recognizing income tax expense/benefit in 2008. The Company does not expect to pay significant cash income taxes in 2008 as it has approximately $3.8 billion of net operating loss carryforwards remaining to offset future cash income.

	2008 Estimate*		
	3rd Qtr.(E)	Full Year(E)	Expense/(Benefit)
Taxes on Profit/(Loss)	Tax Rate of 36.9%	Tax Rate of 36.9%	Expense/(Benefit)
Permanent Tax Differences	$1.6 Million	$6.4 Million	Expense
Total Tax	Sum of the Above	Sum of the Above	Expense/(Benefit)

*The Company can record a total benefit from losses up to the point it fully offsets its net deferred tax liability. At the end of the second quarter 2008, the Company had a net deferred tax liability of $12 million. Permanent tax differences are primarily related to non-deductible per diems, meals and entertainment.

Debt and Capital Leases

Continental's total debt and capital leases balance at the end of second quarter 2008 was $5.8 billion, of which $5.6 billion was debt.

Scheduled debt and capital lease principal payments for the full year 2008 are estimated to be $681 million, with approximately $155 million and $157 million paid in the first and second quarters respectively, and approximately $91 million and $278 million to be paid in the third and fourth quarters of 2008, respectively.

Cash Capital Expenditures (in millions)	2008(E) ($Millions)
Fleet Related	$187
Non-Fleet	250
Rotable Parts & Capitalized Interest	61
Total	$498
Net Purchase Deposits Paid/(Refunded)	(71)
Total Cash Capital Expenditures	$427

EPS Estimated Share Count

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

Third Quarter 2008 (Millions)

Quarterly	Number of Shares		
Earnings Level	Basic	Diluted	Interest addback (net of profit sharing and income taxes impact)
Over $55	110	124	$3
Between $15 - $55	110	120	$1
Under $15	110	111	- --
Net Loss	110	110	- --

Full Year 2008 (Millions)

Year-to-date	Number of Shares		
Earnings Level	Basic	Diluted	Interest addback (net of profit sharing and income taxes impact)
Over $207	105	119	$12
Between $55 - $207	105	115	$5
Under $55	105	106	- --
Net Loss	105	105	- --

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.

(a) Full Year special charges of $50 million ($35 million for mainline operations) include aircraft impairment charges and gains related to sales of aircraft, costs related to capacity reductions, and other special charges.

(b) These financial measures provide management and investors the ability to measure and monitor Continental's performance on a consistent basis.

(c) Cost per available seat mile excluding special items, fuel, and related taxes is computed by multiplying fuel price per gallon, including fuel taxes, by fuel gallons consumed and subtracting that amount from operating expenses excluding special items then dividing by available seat miles. This statistic provides management and investors the ability to measure and monitor Continental's cost performance absent special items and fuel price volatility. Both the cost and availability of fuel are subject to many economic and political factors and therefore are beyond Continental's control.

This update 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 2007 Form 10-K and its other securities filings, including any amendments thereto, which identify important matters such as the consequences of the Company's high leverage, the significant cost of aircraft fuel, its transition to a new global alliance, delays in scheduled aircraft deliveries, its high labor and pension costs, service interruptions at one of its hub airports, disruptions to the operations of its regional operators, disruptions in its computer systems, and industry conditions, including the airline pricing environment, industry capacity decisions, industry consolidation, terrorist attacks, regulatory matters, excessive taxation, the availability and cost of insurance, public health threats, an economic downturn in the U.S. and global economies and the seasonal nature of the airline business. The Company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this update, except as required by applicable law.

Fleet News

Continental Airlines Fleet Plan

Includes Aircraft Operated by the Company or Operated on the Company's Behalf Under a Capacity Purchase Agreement

July 17, 2008

		Net		Net		Net	
	Total @	Changes	Total @	Changes	Total @	Changes	Total @
	6/30/08	2H08E	YE 2008E	2009E	YE 2009E	2010E	YE 2010E
Mainline Jets							
777-200ER	20	-	20	2	22	-	22
787-8	-	-	-	-	-	2	2
767-400ER	16	-	16	-	16	-	16
767-200ER	10	-	10	-	10	-	10
757-300	17	-	17	-	17	-	17
757-200	41	-	41	-	41	-	41
737-900ER *	10	10	20	18	38	24	62
737-900	12	-	12	-	12	-	12
737-800*	111	6	117	-	117	-	117
737-700	36	-	36	-	36	-	36
737-300**	47	(24)	23	(23)	-	-	-
737-500**	55	(13)	42	(7)	35	-	35
Total Mainline	**375**	**(21)**	**354**	**(10)**	**344**	**26**	**370**
Regional							
ERJ-145	195	-	195	39	234	(10)	224
ERJ-135***	30	-	30	(30)	-	-	-
CRJ200LR	24	(7)	17	(10)	7	(7)	-
Q400	13	2	15	-	15	-	15
Q200	16	-	16	-	16	-	16
Total Regional	**278**	**(5)**	**273**	**(1)**	**272**	**(17)**	**255**
Total Count	**653**	**(26)**	**627**	**(11)**	**616**	**9**	**625**
*Final mix of new 737-800/-900ERs are subject to change							
**Final mix and quantity of 737-300 / 737-500 exits subject to change							

***ExpressJet has indicated that it anticipates returning all 39 Embraer 50-seat regional jets to Continental. If ExpressJet does so, Continental currently anticipates adding these 39 aircraft to the Amended ExpressJet CPA and, in turn, withdrawing from that agreement 30 Embraer 37-seat regional jets. Continental is evaluating its options regarding the thirty 37-seat aircraft expected to be withdrawn from the agreement, which might include permanently grounding them.