

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):
November 21, 1996

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.)

2929 Allen Parkway, Suite 2010, Houston, Texas
(Address of principal executive offices)

77019
(Zip Code)

(713) 834-2950
(Registrant's telephone number, including area code)

Item 5. Other Events.

On November 21, 1996, 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
Senior Vice President and
General Counsel

November 21, 1996

FOR IMMEDIATE RELEASE
CONTACT: CORPORATE COMMUNICATIONS
(713) 834-5080

CONTINENTAL ANNOUNCES PURCHASE OF WARRANTS FROM AIR PARTNERS

HOUSTON, November 21, 1996 -- Continental Airlines, Inc. (NYSE: CAI.B and CAI.A) stated today that Air Partners, L.P. exercised its previously announced right to sell to Continental \$50 million in intrinsic value (current Class B common stock price minus exercise price) of warrants to purchase Class B common stock previously issued by Continental. As a result, Continental will purchase, for \$50 million in cash, warrants to purchase 2,614,379 Class B shares at an exercise price of \$7.50 per share. The transaction will close early next week.

Air Partners continues to be the company's largest stockholder.