

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 14, 2009**

**CONTINENTAL AIRLINES, INC.**  
(Exact Name of Registrant as Specified in Its Charter)

**DELAWARE**  
(State or Other Jurisdiction of Incorporation)

**1-10323**  
(Commission File Number)

**74-2099724**  
(IRS Employer Identification No.)

**1600 Smith Street, Dept. HQSEO, Houston, Texas**  
(Address of Principal Executive Offices)

**77002**  
(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))

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Item 2.02. Results of Operations and Financial Condition.

On July 14, 2009, Continental Airlines, Inc. (the "Company") issued a press release announcing the webcast for its second quarter 2009 financial results conference call and detailing certain second quarter 2009 special charges. This press release is furnished herewith as Exhibit 99.1 and incorporated in this Item 2.02 by reference.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On June 5, 2008, the Company announced capacity reductions and related initiatives to respond to unprecedented high fuel costs and other challenges facing the airline industry. In connection with the capacity reductions, the Company announced that it expected to record accounting charges, including severance and other employee termination costs, contract termination costs and other associated costs in the second and third quarters of 2008 and beyond.

For the quarter ended June 30, 2009, the Company expects to record \$44 million of special charges, which includes \$31 million of non-cash impairment charges on owned Boeing 737-300 and 737-500 aircraft and related assets. These impairment charges relate to the Company's decision in June 2008 to retire all of its Boeing 737-300 aircraft and a significant portion of its Boeing 737-500 aircraft in connection with the capacity reductions referenced above. The Company recorded an initial impairment charge in the second quarter of 2008 for each of these fleet types. The additional write down in the second quarter of 2009 reflects further reduction in the fair value of these fleet types in the current economic environment. In both periods, the Company determined that indicators of impairment were present for these fleets. Fleet assets include owned aircraft, improvements on leased aircraft, rotatable spare parts, spare engines and simulators. Based on the Company's evaluations, it determined that the carrying amounts of these fleets were impaired and wrote them down to their estimated fair values. The Company estimated the fair values based on current market quotes and its expected proceeds from the sale of the assets.

The Company may incur additional accounting charges in future quarters associated with the 737-300 and 737-500 fleet types discussed above, as well as the thirty EMB 135 aircraft that the Company has temporarily grounded. The Company is not able at this time to estimate the amount and timing of these future charges.

Item 2.06. Material Impairments.

The information set forth in Item 2.05 of this Current Report on Form 8-K is incorporated by reference into this Item 2.06.

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Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release

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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, 2009

By /s/ Chris Kenny  
Chris Kenny  
Vice President and Controller

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EXHIBIT INDEX

99.1

Press 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 TO HOLD LIVE WEBCAST OF SECOND QUARTER 2009 FINANCIAL RESULTS**

*Summarizes special charges for the second quarter 2009*

HOUSTON, July 14, 2009 -- Continental Airlines (NYSE: CAL) will hold its second quarter 2009 financial results conference call on Tuesday, July 21 at 9:30 a.m. CT/10:30 a.m. ET. A live, listen-only webcast of the conference call will be available at continental.com in the "Investor Relations" section under the "About Continental" menu.

The webcast will be available for replay within 24 hours of the conference call and then archived on the Web site for approximately three months.

### **Second Quarter Special Charges**

Continental expects to record special charges during the second quarter of 2009 totaling \$44 million of expense of which \$43 million consists of non-cash items. A summary of these charges is as follows (in millions):

	Three Months Ended <u>June 30, 2009</u>
Aircraft-related charges	\$43
Other	<u>1</u>
Total special charges	\$ 44

Aircraft-related charges in the second quarter of 2009 include \$31 million of non-cash impairments on owned Boeing 737-300 and 737-500 aircraft and related assets, an \$8 million non-cash charge related to the disposition of three 737-300 aircraft and a \$4 million non-cash charge to write off certain obsolete spare parts.

The impairment charges on the Boeing 737-300 and 737-500 fleets relate to Continental's decision in June 2008 to retire all of its Boeing 737-300 aircraft and a significant portion of its Boeing 737-500 aircraft by early January 2010. The company recorded an initial impairment charge in the second quarter of 2008 for each of these fleet types. The additional write down in the second quarter of 2009 reflects further reduction in the fair value of these fleet types in the current economic environment. In both periods, Continental determined that indicators of impairment were present for these fleets. Fleet assets include owned aircraft, improvements on leased aircraft, rotatable spare parts, spare engines and simulators. Based on Continental's evaluations, the company determined that the carrying amounts of these fleets were impaired and wrote them down to their estimated fair values. The company estimated the fair values based on current market quotes and our expected proceeds from the sale of the assets.

### **Corporate Background**

Continental Airlines is the world's fifth largest airline. Continental, together with Continental Express and Continental Connection, has more than 2,750 daily departures throughout the Americas, Europe and Asia, serving 133 domestic and 132 international destinations. More than 750 additional points are served via current alliance partners. With more than 43,000 employees, Continental has hubs serving New York, Houston, Cleveland and Guam, and together with its regional partners, carries approximately 67 million passengers per year.

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