

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):

April 17, 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

99.1 Projected Data.

Item 9. Regulation FD Disclosure.

The Company is furnishing herewith a letter being provided to certain investors and financial analysts which contains explanations of certain data included in the Company's first quarter results filed yesterday with the Securities and Exchange Commission ("SEC"), 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 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 SEC, which factors are incorporated herein by reference, and the fact that the assumptions contained in such information 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/ Jeffery A. Smisek

Jeffery A. Smisek

Executive Vice President

and General Counsel

April 17, 2001

EXHIBIT INDEX

99.1 Letter to investors and analysts.

Diane Dayhoff

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

April 16, 2001

Dear Investors and Analysts:

Continental has reported its 24th consecutive profitable quarter. For the first quarter of 2001 Continental reported pre-tax earnings of \$19 million and net income of \$9 million. This resulted in diluted earnings per share of \$0.16. Attachment A shows Continental's EPS calculation for the quarter.

As you might notice in our first quarter financial statements, changes in the time value component of our fuel hedging instruments (FAS 133 adjustments) are included in non-operating expense instead of fuel expense. This amounted to \$6 million for first quarter 2001 and \$9 million for first quarter 2000. The prior years' financial statements have been changed to conform to the current year presentation. We have also broken out two expense line items, "Reservations and Sales" and "Passenger Servicing", from "Other Operating Expenses" to better conform to industry standard reporting procedures. Attachment B reflects the new expense lines and corresponding amounts. In addition, improved financial systems now allow us to fully allocate operating expenses between Continental Express and Continental Mainline more accurately. During the quarter we made adjustments to the amounts credited to Continental Express for various services. These adjustments are only between Continental Mainline and Continental Express and do not affect our consolidated operating performance. However, several jet operating statistics have been adjusted accordingly. Please see Attachment B for revised 2000 statistics.

We have financing in place for all but six aircraft to be delivered through March 2002. Part of this financing consists of \$709 million of pass-through certificates we priced on April 4th at an average interest rate of 6.7%. These proceeds will be used to finance the debt portion of the acquisition cost of 21 new Boeing aircraft.

Updated guidance for several operating and financial statistics for second quarter and full year 2001 can be found on Attachment C.

At the end of the first quarter, Continental had 375 jet aircraft (excluding regional jets) in service, a net increase of 4 aircraft since December 31, 2000. During the quarter we took delivery of one 767-400ER and three 767-200ER aircraft. Our current fleet plan is

Page 2

outlined on Attachment D. The top chart is our current Fleet Plan showing deliveries resulting from both firm commitments and planned option exercises through 2002. 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

Attachment A

CONTINENTAL AIRLINES, INC.

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE

FOR THE QUARTER ENDED 03-31-01

| | BASIC | | | DILUTED | | | |
|--------------------------------------------------------------------|--------------|-----|-------------|----------------|-----------------|-----------------|-----|
| | | | # of | | Exercise | | |
| | | | Shares | | Price | Proceeds | |
| | | | O/S | | | | |
| | | | (1) | | | | |
| Stock options | 0 | | 6,179,056 | | various \$'s | \$246,991,563 | (2) |
| Assumed proceeds used to repurchase shares | | | (5,174,481) | | | (\$246,991,563) | |
| Weighted average # Class A & B shares | | | | | | | |
| O/S during quarter | 54,611,793 | | 54,611,793 | | | | |
| \$250 Convert Pref Notes @6.00% | 0 | | 0 | | | | |
| Potentially Dilutive Shares (NW Repurch) @\$52 (1/1-1/21) | 0 | | 504,204 | | | | |
| Contingently Issuable Shares (Recapitalization) | 319,443 | | 319,443 | | | | |
| Total Adjusted Shares | 54,931,236 | (A) | 56,440,015 | (C) | | | |

| | | | | | | | |
|-----------------------------------------------------------------------------|-------------|-----------|--|--|--|-------------|-----------|
| | | | | | | | |
| Net income applicable to Common Stock | \$9,255,000 | | | | | \$9,255,000 | |
| | | | | | | | |
| Net Interest Add Back for TIDES | \$0 | | | | | \$0 | |
| Adjusted Net Income | \$9,255,000 | (B) | | | | \$9,255,000 | (B) |
| | | | | | | | |
| | | | | | | | |
| Earnings per share | \$0.17 | (B) / (A) | | | | \$0.16 | (B) / (C) |
| | | | | | | | |
| | | | | | | | |
| (1) weighted average # of shares outstanding during period | | | | | | | |
| (2) weighted proceeds which includes additional proceeds due to tax benefit | | | | | | | |

Continental Airlines' Quarterly Update

| <u>Operating Statistics</u> | <u>Estimated Year-over-Year Change</u> | |
|------------------------------------|----------------------------------------|---------------|
| | <u>2Q01E</u> | <u>2001E</u> |
| CASM | (1.0) - 0.0% | 0.0 - 1.0% |
| CASM Holding Fuel Price Constant | (2.0) - (1.0)% | 0.0 - 1.0% |
| Fuel Gallons Consumed | 2.0 - 2.5% | 2.0 - 2.5% |
| Fuel Price (excluding fuel taxes) | 81 - 85 cents | 80 - 85 cents |

| <u>Financial</u> | <u>Estimated Amounts</u> | |
|---------------------------------------|--------------------------|---------------|
| | <u>2Q01E</u> | <u>2001E</u> |
| Aircraft Rent | \$223 Million | \$907 Million |
| Net Interest Expense | \$43 Million | \$170 Million |
| Dividends on Preferred Stock of Trust | \$2.3 Million | \$9.4 Million |

| <u>ASMs 2001</u> | <u>Year-over-Year Percentage Change</u> | | | | |
|-------------------------|-----------------------------------------|--------------|--------------|--------------|--------------|
| | <u>1Q01A</u> | <u>2Q01E</u> | <u>3Q01E</u> | <u>4Q01E</u> | <u>FY01E</u> |
| Domestic | 4% | 6% | 6% | 7% | 6% |
| Latin America | 2% | 3% | 0% | 2% | 2% |
| Europe | (5)% | (1)% | (6)% | 5% | (2)% |
| Pacific | 5% | 36% | 34% | 25% | 25% |
| System | 2% | 7% | 5% | 8% | 6% |
| Continental Express | 24% | 20% | 17% | 20% | 20% |

| <u>Load Factor</u> | <u>2Q01E</u> | <u>2001E</u> |
|---------------------------|--------------|--------------|
| Continental | 74 - 75% | 73 - 74% |
| Continental Express | 66 - 67% | 62 - 63% |

EPS Estimated Share Count

| | <u>2Q01E</u> | <u>FY01E</u> |
|------------------------|--------------|--------------|
| Average Diluted Shares | 58.5 Million | 57 Million |

Continental Airlines Flexible Jet Fleet Plan

Includes Continental, Continental Micronesia and Continental Express Regional Jets

March 31, 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 | 25 | 98 | | |
| | MD-80 | | 65 | (6) | (8) | 51 | | |
| | 737-700 | | 36 | - | - | 36 | | |
| | 737-300 | | 65 | - | (2) | 63 | | |
| | 737-500 | | 66 | - | - | 66 | | |
| | Total Jet | | 371 | 22 | 34 | 427 | | |
| | 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 | 427 | | | |
| | Regional Jet | | 96 | 137 | 188 | | | |
| | Total YE Jet Count | | 467 | 530 | 615 | | | |

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 | - | - | - | - | - | 36 |
| 737-300 | | 65 | - | (7) | (15) | (12) | - | 31 |
| 737-500 | | 66 | - | (1) | (2) | - | - | 63 |
| Total Jet | | 371 | 20 | 18 | (24) | (24) | (15) | 346 |
| | | | | | | | | |
| 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 | 409 | 385 | 361 | 346 | |
| Regional Jet | | 96 | 137 | 188 | 236 | 272 | 274 | |
| Total YE Jet Count | | 467 | 528 | 597 | 621 | 633 | 620 | |