

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 28, 2000

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.

(c) Exhibits

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 data regarding its estimated share count for earnings per share calculation purposes and certain other estimates relating to fourth quarter 2000 cost per available seat mile, capacity growth and fuel price per gallon. 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 Exhibit 99.2 to the Company's Current Report on Form 8-K furnished to the Securities and Exchange Commission on November 14, 2000, 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

November 28, 2000

EXHIBIT INDEX

1. Projected Data.

November 28, 2000

Dear [Investor]:

Continental announced November 16th that definitive agreements were executed with Northwest Airlines regarding the sale to Continental of its common stock held by Northwest and an extension of the mutually successful code-sharing alliance to 2025. In connection with this transaction, Continental will effect a recapitalization of the company as summarized below:

1. *Purchase of Class A shares from Northwest.* Continental has agreed to repurchase approximately 6.7 million Class A shares from Northwest for \$450 million in cash.
2. *Reclassification of Class A shares to Class B shares.* Continental plans to reclassify each remaining Class A share of common stock (those held by Northwest after the repurchase and those held by all other Class A shareholders) into 1.32 shares of Class B common stock. This reclassification is expected to occur immediately following the repurchase of the Class A shares held by Northwest.
3. *Issuance of Convertible Securities.* On November 10th, a special purpose finance subsidiary of Continental issued \$250 million of convertible securities with a coupon of 6%, convertible to Class B common stock at a price of \$60 per share.

Due to these transactions and the corresponding accounting rules, the share count used for calculating basic and diluted earnings per share will be different than previously estimated. A chart depicting the estimated number of shares for the basic and diluted earnings per share calculations at different income levels for the fourth quarter 2000 and the first quarter 2001 is attached.

At the conclusion of the recapitalization, there will be only one class of common stock (Class B shares) and each Class B share will have one vote in corporate governance matters. As part of the agreement reached with Northwest, Northwest's ownership stake in Continental will be reduced to around 5% (2.6 million shares of Class B common stock). We anticipate that the recapitalization will close in approximately two months, after a special stockholders meeting of Continental is held.

We have updated some of our estimates for the fourth quarter 2000 as outlined below:

Estimated

4th Qtr. 2000 vs. 1999

Cost Per ASM (CASM) 8.5%

CASM Holding Fuel Price Constant 3%

ASM Growth 2%

Fuel Price Per Gallon 96-97 cents

If you should have any questions, please do not hesitate to call.

Sincerely,

Diane Dayhoff

Attachment

Continental EPS Estimated Share Count

as of November 28, 2000

Fourth Quarter 2000

(Millions)

Quarterly Number of Shares Diluted

Earnings Level Basic Diluted Interest Addback

Over \$30.6 58.9 63.8 \$1.2

Between \$0 - \$30.6 58.9 61.4 --

Below \$0 58.9 58.9 --

First Quarter 2001

(Millions)

Quarterly Number of Shares Diluted

Earnings Level Basic Diluted Interest Addback

Over \$27.9 54.5 60.2 \$2.1

Between \$0 - \$27.9 54.5 56.1 --

Below \$0 54.5 54.5 --

Please note that this chart is based upon several assumptions including market stock price and number of shares outstanding. The number of shares used in the actual quarterly EPS calculation will likely be different from those set forth above.