

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): **January 3, 2006**

**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)

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(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):

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

Item 8.01. Other Events.

On January 3, 2006, we issued a press release announcing our December 2005 performance and our estimated consolidated breakeven load factor for January. The press release is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

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.

January 3, 2006

By /s/ Jennifer L. Vogel

Jennifer L. Vogel

Senior Vice President, General Counsel,  
Secretary and Corporate Compliance Officer

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EXHIBIT INDEX



# News Release

**Contact:** Corporate Communications

**Houston:** 713.324.5080

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

## CONTINENTAL AIRLINES REPORTS DECEMBER 2005

### OPERATIONAL PERFORMANCE

HOUSTON, Jan. 3, 2006 - Continental Airlines (NYSE: CAL) today reported a December consolidated (mainline plus regional) load factor of 77.7 percent, 1.2 points above last year's December consolidated load factor. The carrier reported a mainline load factor of 78.0 percent, 0.7 points above the December 2004 mainline load factor, and a domestic mainline load factor of 79.7 percent, 2.6 points above December 2004. All three were records for December. In addition, the airline had an international mainline December load factor of 75.8 percent, 1.7 points below December 2004.

During the month, Continental recorded a U.S. Department of Transportation on-time arrival rate of 71.0 percent and a systemwide mainline completion factor of 99.7 percent.

In December 2005, Continental flew 7.0 billion consolidated revenue passenger miles (RPMs) and 9.0 billion consolidated available seat miles (ASMs), resulting in a traffic increase of 13.1 percent and a capacity increase of 11.4 percent as compared to December 2004. In December 2005, Continental mainline flew 6.2 billion mainline RPMs and 7.9 billion mainline ASMs, resulting in a mainline traffic increase of 11.9 percent and a mainline capacity increase of 10.9 percent as compared to December 2004. Domestic mainline traffic was 3.5 billion RPMs in December 2005, up 9.2 percent from December 2004, and domestic mainline capacity was 4.4 billion ASMs, up 5.7 percent from December 2004.

For the month of December 2005, consolidated passenger revenue per available seat mile (RASM) is estimated to have increased between 7.0 and 8.0 percent compared to December 2004, while mainline passenger RASM is estimated to have increased between 5.5 and 6.5 percent compared to December 2004. For November 2005, consolidated passenger RASM increased 10.3 percent compared to November 2004 while mainline passenger RASM increased 9.1 percent from November 2004.

Continental ended the year with unrestricted cash and short-term investments of approximately \$1.95 billion.

Continental's regional operations (Continental Express) had a record December load factor of 75.4 percent, 4.6 points above last year's December load factor. Regional RPMs were 817.2 million and regional ASMs were 1,083.3 million in December 2005, resulting in a traffic increase of 23.1 percent and a capacity increase of 15.6 percent versus December 2004.

Continental Airlines is the world's sixth-largest airline. Continental, together with Continental Express and Continental Connection, has more than 3,000 daily departures throughout the Americas, Europe and Asia, serving 151 domestic and 133 international destinations, more than any other carrier in the world. More than 400 additional points are served via SkyTeam alliance airlines, which include Aeromexico, Air France, Alitalia, CSA Czech Airlines, Delta Air Lines, KLM, Korean Air and Northwest Airlines. With over 42,000 employees, Continental has hubs serving New York, Houston, Cleveland and Guam, and together with Continental Express, carries approximately 60 million passengers per year. Continental consistently earns awards and critical acclaim for both its operation and its corporate culture.

For the second consecutive year, *FORTUNE* magazine named Continental the No. 1 Most Admired Global Airline on its 2005 list of Most Admired Global Companies. Continental was also included in the publication's annual "Top 50" list, which ranks all companies, across a wide variety of industries, that appear in the Global Most Admired Companies issue. Continental again won major awards at the 2005 OAG Airline of the Year Awards including "Airline of the Year" and "Best Airline Based in North America" for the second consecutive year, and "Best Executive/Business Class" for the third consecutive year. For more company information, visit [continental.com](http://continental.com).

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 2004 10-K and its other securities

filings, including any amendments thereto, which identify important matters such as the consequences of our significant financial losses and high leverage, terrorist attacks, domestic and international economic conditions, the significant cost of aircraft fuel, labor costs, competition, and industry conditions, including the demand for air travel, the airline pricing environment and industry capacity decisions, regulatory matters and the seasonal nature of the airline business. The company undertakes no obligation to public ly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this press release.

## PRELIMINARY TRAFFIC RESULTS

DECEMBER	2005	2004	Change	
REVENUE PASSENGER MILES (000)				
<b>Domestic</b>	<b>3,502,067</b>	<b>3,206,641</b>	<b>9.2</b>	<b>Percent</b>
<b>International</b>	<b>2,678,063</b>	<b>2,315,987</b>	<b>15.6</b>	<b>Percent</b>
Transatlantic	1,247,101	1,060,417	17.6	Percent
Latin America	834,568	747,915	11.6	Percent
Pacific	596,394	507,655	17.5	Percent
<b>Mainline</b>	<b>6,180,130</b>	<b>5,522,627</b>	<b>11.9</b>	<b>Percent</b>
<b>Regional</b>	<b>817,187</b>	<b>663,756</b>	<b>23.1</b>	<b>Percent</b>
<b>Consolidated</b>	<b>6,997,317</b>	<b>6,186,384</b>	<b>13.1</b>	<b>Percent</b>
AVAILABLE SEAT MILES (000)				
<b>Domestic</b>	<b>4,392,147</b>	<b>4,157,142</b>	<b>5.7</b>	<b>Percent</b>
<b>International</b>	<b>3,531,185</b>	<b>2,987,981</b>	<b>18.2</b>	<b>Percent</b>
Transatlantic	1,598,923	1,305,942	22.4	Percent
Latin America	1,136,087	1,013,296	12.1	Percent
Pacific	796,175	668,744	19.1	Percent
<b>Mainline</b>	<b>7,923,332</b>	<b>7,145,123</b>	<b>10.9</b>	<b>Percent</b>
<b>Regional</b>	<b>1,083,344</b>	<b>937,323</b>	<b>15.6</b>	<b>Percent</b>
<b>Consolidated</b>	<b>9,006,676</b>	<b>8,082,445</b>	<b>11.4</b>	<b>Percent</b>
PASSENGER LOAD FACTOR				
<b>Domestic</b>	<b>79.7 Percent</b>	<b>77.1 Percent</b>	<b>2.6</b>	<b>Points</b>
<b>International</b>	<b>75.8 Percent</b>	<b>77.5 Percent</b>	<b>-1.7</b>	<b>Points</b>
Transatlantic	78.0 Percent	81.2 Percent	-3.2	Points
Latin America	73.5 Percent	73.8 Percent	-0.3	Points
Pacific	74.9 Percent	75.9 Percent	-1.0	Points
<b>Mainline</b>	<b>78.0 Percent</b>	<b>77.3 Percent</b>	<b>0.7</b>	<b>Points</b>
<b>Regional</b>	<b>75.4 Percent</b>	<b>70.8 Percent</b>	<b>4.6</b>	<b>Points</b>
<b>Consolidated</b>	<b>77.7 Percent</b>	<b>76.5 Percent</b>	<b>1.2</b>	<b>Points</b>
ONBOARD PASSENGERS				
<b>Mainline</b>	<b>3,918,862</b>	<b>3,623,134</b>	<b>8.2</b>	<b>Percent</b>
<b>Regional</b>	<b>1,431,241</b>	<b>1,200,922</b>	<b>19.2</b>	<b>Percent</b>
<b>Consolidated</b>	<b>5,350,103</b>	<b>4,824,056</b>	<b>10.9</b>	<b>Percent</b>
CARGO REVENUE TON MILES (000)				
<b>Total</b>	<b>91,771</b>	<b>93,796</b>	<b>-2.2</b>	<b>Percent</b>

## PRELIMINARY TRAFFIC RESULTS

<b>FULL YEAR</b>	<b>2005</b>	<b>2004</b>	<b>Change</b>
<b>REVENUE PASSENGER MILES (000)</b>			
<b>Domestic</b>	<b>39,940,548</b>	<b>37,921,992</b>	<b>5.3 Percent</b>
<b>International</b>	<b>31,320,573</b>	<b>27,812,409</b>	<b>12.6 Percent</b>
Transatlantic	15,505,590	13,436,769	15.4 Percent
Latin America	9,033,775	8,524,283	6.0 Percent
Pacific	6,781,208	5,851,357	15.9 Percent
<b>Mainline</b>	<b>71,261,121</b>	<b>65,734,401</b>	<b>8.4 Percent</b>
<b>Regional</b>	<b>8,937,931</b>	<b>7,417,383</b>	<b>20.5 Percent</b>
<b>Consolidated</b>	<b>80,199,052</b>	<b>73,151,784</b>	<b>9.6 Percent</b>
<b>AVAILABLE SEAT MILES (000)</b>			
<b>Domestic</b>	<b>49,215,104</b>	<b>48,976,441</b>	<b>0.5 Percent</b>
<b>International</b>	<b>40,430,689</b>	<b>35,708,913</b>	<b>13.2 Percent</b>
Transatlantic	19,387,805	16,624,222	16.6 Percent
Latin America	11,997,377	11,573,276	3.7 Percent
Pacific	9,045,507	7,511,415	20.4 Percent
<b>Mainline</b>	<b>89,645,793</b>	<b>84,685,354</b>	<b>5.9 Percent</b>
<b>Regional</b>	<b>11,972,879</b>	<b>10,410,026</b>	<b>15.0 Percent</b>
<b>Consolidated</b>	<b>101,618,672</b>	<b>95,095,380</b>	<b>6.9 Percent</b>
<b>PASSENGER LOAD FACTOR</b>			
<b>Domestic</b>	<b>81.2 Percent</b>	<b>77.4 Percent</b>	<b>3.8 Points</b>
<b>International</b>	<b>77.5 Percent</b>	<b>77.9 Percent</b>	<b>-0.4 Points</b>
Transatlantic	80.0 Percent	80.8 Percent	-0.8 Points
Latin America	75.3 Percent	73.7 Percent	1.6 Points
Pacific	75.0 Percent	77.9 Percent	-2.9 Points
<b>Mainline</b>	<b>79.5 Percent</b>	<b>77.6 Percent</b>	<b>1.9 Points</b>
<b>Regional</b>	<b>74.7 Percent</b>	<b>71.3 Percent</b>	<b>3.4 Points</b>
<b>Consolidated</b>	<b>78.9 Percent</b>	<b>76.9 Percent</b>	<b>2.0 Points</b>
<b>ONBOARD PASSENGERS</b>			
<b>Mainline</b>	<b>44,939,634</b>	<b>42,742,858</b>	<b>5.1 Percent</b>
<b>Regional</b>	<b>16,076,042</b>	<b>13,739,036</b>	<b>17.0 Percent</b>
<b>Consolidated</b>	<b>61,015,676</b>	<b>56,481,894</b>	<b>8.0 Percent</b>
<b>CARGO REVENUE TON MILES (000)</b>			
<b>Total</b>	<b>1,020,350</b>	<b>1,028,409</b>	<b>-0.8 Percent</b>

## PRELIMINARY OPERATIONAL AND FINANCIAL RESULTS

<b>DECEMBER</b>	<b>2005</b>	<b>2004</b>	<b>Change</b>
On-Time Performance <sup>1</sup>	71.0%	75.7%	(4.7) Points
Completion Factor <sup>2</sup>	99.7%	99.7%	- Points
<b>FULL YEAR</b>	<b>2005</b>	<b>2004</b>	<b>Change</b>
	76.9%	78.9%	(2.0) Points

On-Time Performance <sup>1</sup>			
Completion Factor <sup>2</sup>	99.4%	99.6%	(0.2) Points

<b>November 2005 consolidated breakeven load factor <sup>3</sup></b>	<b>81.0 Percent</b>
<b>November 2005 year-over-year consolidated RASM change</b>	<b>10.3 Percent</b>
<b>November 2005 year-over-year mainline RASM change</b>	<b>9.1 Percent</b>
<b>December 2005 estimated year-over-year consolidated RASM change</b>	<b>7.0-8.0 Percent</b>
<b>December 2005 estimated year-over-year mainline RASM change</b>	<b>5.5-6.5 Percent</b>
<b>December 2005 estimated average price per gallon of fuel, including fuel taxes</b>	<b>1.84 Dollars</b>
<b>Fourth Quarter 2005 estimated average price per gallon of fuel, including fuel taxes</b>	<b>2.08 Dollars</b>
<b>December 2005 estimated consolidated breakeven load factor <sup>3,4</sup></b>	<b>70 Percent</b>
<b>December 2005 actual consolidated load factor <sup>5</sup></b>	<b>77.7 Percent</b>
<b>January 2006 estimated consolidated breakeven load factor <sup>3</sup></b>	<b>86 Percent</b>

1 Department of Transportation Arrivals within 14 minutes

2 Mainline Mileage Completion Percentage

3 Consolidated load factor (including Continental Airlines and Continental Express) needed to break even on a consolidated net income basis. Actual consolidated breakeven load factor may vary significantly from estimates depending on actual passenger revenue yields, fuel price and other factors. Month-to-date consolidated load factor information can be found on Continental's website at [continental.com](http://continental.com) in the Investor Relations-Financial/Traffic Releases section.

4 Gain related to the sale of a portion of our equity interest in Copa Holdings, S.A., parent company of Copa Airlines, in connection with the initial public offering of their shares offset by non-cash settlement charge related to the pilot pension plan reduced consolidated breakeven load factor by 9 points.

5 Includes Continental Airlines and Continental Express

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