

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 5, 2004

CONTINENTAL AIRLINES, INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|--------------------------|--------------------------------------|
| Delaware | 1-10323 | 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 5. Other Events.

On January 5, 2004, we issued a press release announcing our December 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 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.

January 5, 2004

By /s/ Jennifer L. Vogel

Jennifer L. Vogel

Senior Vice President, General
Counsel
and Secretary

EXHIBIT INDEX

99.1 Press Release



News Release

Contact: Corporate Communications

Houston: 713.324.5080

Email: corpcomm@coair.com

News archive: continental.com/news/ **Address:** P.O. Box 4607, Houston, TX 77210-4607

CONTINENTAL AIRLINES REPORTS

OPERATIONAL PERFORMANCE FOR DECEMBER 2003

HOUSTON, Jan. 5, 2004 - Continental Airlines (NYSE: CAL) today reported a record December systemwide mainline load factor of 77.0 percent, 3.1 points above last year's December load factor. In addition, the airline had a record December domestic mainline load factor of 76.2 percent, 0.8 points above December 2002, and a record international mainline load factor of 78.1 percent, 6.7 points above December 2002.

During the month, Continental recorded a U.S. Department of Transportation on-time arrival rate of 76.8 percent and a systemwide mainline completion factor of 99.1 percent.

In December 2003, Continental flew 5.2 billion mainline revenue passenger miles (RPMs) and 6.7 billion mainline available seat miles (ASMs) systemwide, resulting in a traffic increase of 7.6 percent and a capacity increase of 3.3 percent as compared to

December 2002. Domestic mainline traffic was 3.2 billion RPMs in December 2003, up 3.9 percent from December 2002, and domestic mainline capacity was 4.2 billion ASMs, up 2.7 percent from December 2002.

Systemwide December 2003 passenger revenue per available seat mile (RASM) is estimated to have increased between 0.5 and 1.5 percent compared to December 2002. For November 2003, systemwide RASM increased 5.5 percent as compared to November 2002. If the Sunday immediately following Thanksgiving had occurred in December this year as it did last year, November 2003 systemwide RASM would have increased only about 3 percent year-over-year while December 2003 systemwide RASM would have increased between 3.0 percent and 4.0 percent year-over-year.

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Continental's regional operations (Continental Express) set a record December load factor of 70.6 percent, 3.1 points above last year's December load factor. Regional

RPMs were 555.1 million and regional ASMs were 786.0 million in December 2003, resulting in a traffic increase of 46.3 percent and a capacity increase of 39.9 percent versus December 2002.

Continental Airlines is the world's seventh-largest airline with more than 2,200 daily departures to 127 domestic and 96 international destinations throughout the Americas, Europe and Asia. With 42,000 mainline employees, the airline has hubs serving New York, Houston, Cleveland and Guam, and carries approximately 41 million

passengers per year. *Fortune* ranks Continental one of the 100 Best Companies to Work For in America, highest among major U.S. carriers in the quality of its service and products, and No. 2 on its list of Most Admired Global Airlines. For more company information, visit 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 2002 10-K and its other securities filings, which identify important matters such as terrorist attacks, domestic and international economic conditions, the significant cost of aircraft fuel, labor costs, competition, regulatory matters and industry conditions, including the demand for air travel, the airline pricing environment and industry capacity decisions. The company undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this press release.

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PRELIMINARY TRAFFIC RESULTS

| DECEMBER | 2003 | 2002 | Change |
|-------------------------------|---------------------|---------------------|---------------------|
| REVENUE PASSENGER MILES (000) | | | |
| Domestic | 3,170,838 | 3,052,537 | 3.9 Percent |
| International | 2,012,228 | 1,763,184 | 14.1 Percent |
| Transatlantic | 861,823 | 737,911 | 16.8 Percent |
| Latin America | 689,897 | 661,408 | 4.3 Percent |
| Pacific | 460,508 | 363,865 | 26.6 Percent |
| Mainline | 5,183,066 | 4,815,721 | 7.6 Percent |
| Regional | 555,088 | 379,299 | 46.3 Percent |
| AVAILABLE SEAT MILES (000) | | | |
| Domestic | 4,159,219 | 4,050,753 | 2.7 Percent |
| International | 2,575,430 | 2,469,117 | 4.3 Percent |
| Transatlantic | 1,051,225 | 986,532 | 6.6 Percent |
| Latin America | 917,322 | 910,650 | 0.7 Percent |
| Pacific | 606,884 | 571,935 | 6.1 Percent |
| Mainline | 6,734,650 | 6,519,871 | 3.3 Percent |
| Regional | 786,042 | 561,919 | 39.9 Percent |
| PASSENGER LOAD FACTOR | | | |
| Domestic | 76.2 Percent | 75.4 Percent | 0.8 Points |

| | | | |
|----------------------|---------------------|---------------------|-------------------|
| International | 78.1 Percent | 71.4 Percent | 6.7 Points |
| Transatlantic | 82.0 Percent | 74.8 Percent | 7.2 Points |
| Latin America | 75.2 Percent | 72.6 Percent | 2.6 Points |
| Pacific | 75.9 Percent | 63.6 Percent | 12.3 Points |
| Mainline | 77.0 Percent | 73.9 Percent | 3.1 Points |
| Regional | 70.6 Percent | 67.5 Percent | 3.1 Points |

CARGO REVENUE TON MILES (000)

| | | | |
|--------------|---------------|---------------|--------------------|
| Total | 77,509 | 74,334 | 4.3 Percent |
|--------------|---------------|---------------|--------------------|

- more -

| FULL YEAR | 2003 | 2002 | Change |
|--------------------------------------|-------------------|-------------------|----------------------|
| REVENUE PASSENGER MILES (000) | | | |
| Domestic | 36,215,173 | 36,117,740 | 0.3 Percent |
| International | 22,951,755 | 23,224,670 | (1.2) Percent |
| Transatlantic | 10,574,615 | 10,476,350 | 0.9 Percent |
| Latin America | 7,635,614 | 7,499,208 | 1.8 Percent |
| Pacific | 4,741,526 | 5,249,112 | (9.7) Percent |
| Mainline | 59,166,928 | 59,342,410 | (0.3) Percent |
| Regional | 5,769,162 | 3,946,914 | 46.2 Percent |

AVAILABLE SEAT MILES (000)

| | | | |
|----------------------|-------------------|-------------------|----------------------|
| Domestic | 47,499,897 | 48,944,271 | (3.0) Percent |
| International | 30,890,164 | 31,182,047 | (0.9) Percent |
| Transatlantic | 13,713,065 | 13,496,122 | 1.6 Percent |
| Latin America | 10,382,554 | 10,521,296 | (1.3) Percent |

| | | | |
|-----------------|-------------------|-------------------|----------------------|
| Pacific | 6,794,545 | 7,164,629 | (5.2) Percent |
| Mainline | 78,390,061 | 80,126,318 | (2.2) Percent |
| Regional | 8,424,671 | 6,212,309 | 35.6 Percent |

PASSENGER LOAD FACTOR

| | | | |
|----------------------|---------------------|---------------------|---------------------|
| Domestic | 76.2 Percent | 73.8 Percent | 2.4 Points |
| International | 74.3 Percent | 74.5 Percent | (0.2) Points |
| Transatlantic | 77.1 Percent | 77.6 Percent | (0.5) Points |
| Latin America | 73.5 Percent | 71.3 Percent | 2.2 Points |
| Pacific | 69.8 Percent | 73.3 Percent | (3.5) Points |
| Mainline | 75.5 Percent | 74.1 Percent | 1.4 Points |
| Regional | 68.5 Percent | 63.5 Percent | 5.0 Points |

CARGO REVENUE TON MILES (000)

| | | | |
|--------------|----------------|----------------|--------------------|
| Total | 918,714 | 908,834 | 1.1 Percent |
|--------------|----------------|----------------|--------------------|

(more)

PRELIMINARY OPERATIONAL AND FINANCIAL RESULTS

| DECEMBER | 2003 | 2002 | Change |
|----------------------------------|-------|-------|--------------|
| On-Time Performance ¹ | 76.8% | 76.4% | 0.4 Points |
| Completion Factor ² | 99.1% | 99.2% | (0.1) Points |
| FULL YEAR | 2003 | 2002 | Change |
| On-Time Performance ¹ | 82.0% | 83.5% | (1.5) Points |
| Completion Factor ² | 99.4% | 99.7% | (0.3) Points |

November 2003 consolidated breakeven load factor^{3,4} **76.6 Percent**

| | |
|--|------------------------|
| December 2003 estimated year-over-year RASM change | 0.5-1.5 Percent |
| December 2003 estimated average price per gallon of fuel, excluding fuel taxes | 87.0 Cents |
| December 2003 estimated consolidated breakeven load factor ^{3,5} | 66 Percent |
| December 2003 actual consolidated load factor ⁶ | 76.3 Percent |
| January 2004 estimated consolidated breakeven load factor ³ | 77 Percent |

| YEAR-OVER-YEAR RASM⁷ | 2002 vs. 2001 | 2002 vs. 2000 |
|--|----------------------|----------------------|
| May | (6.3) Percent | (15.1) Percent |
| June | (5.5) Percent | (15.5) Percent |
| July | (4.0) Percent | (13.5) Percent |
| August | (2.7) Percent | (15.2) Percent |
| September | 10.8 Percent | (17.6) Percent |
| October | 9.3 Percent | (15.7) Percent |
| November | (1.7) Percent | (18.4) Percent |
| December | 10.1 Percent | (5.7) Percent |
| | 2003 vs. 2002 | 2003 vs. 2001 |
| January | 3.5 Percent | (11.0) Percent |
| February | (0.4) Percent | (11.3) Percent |
| March | (11.7) Percent | (17.4) Percent |
| April | (1.0) Percent | (11.3) Percent |
| May | 2.0 Percent | (4.3) Percent |
| June | 0.3 Percent | (5.2) Percent |
| July | 4.9 Percent | 0.7 Percent |
| August | 4.4 Percent | 1.5 Percent |
| September | 5.3 Percent | 16.7 Percent |
| October | 4.4 Percent | 14.1 Percent |
| November | 5.5 Percent | 3.7 Percent |
| December (estimated) | 0.5-1.5 Percent | 10.5-11.5 Percent |

1 Department of Transportation Arrivals within 14 minutes

2 System 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 in the Investor Relations-Financial/Traffic Releases section.

4 Net gain on sale of investment in Hotwire accounts for 5.2 percentage points in November 2003.

5 Net gain on sale of investment in Orbitz and mark to market of remaining investment in Orbitz following Orbitz's IPO accounts for approximately 10 percentage points in December 2003.

6 Includes Continental Airlines and Continental Express

7 CAL has been releasing RASM data since May 2001

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