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): **June 11, 2007**

CONTINENTAL AIRLINES, INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

1-10323	**74-2099724**
(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)

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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):

	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))	

Item 7.01. Regulation FD Disclosure.

On June 11, 2007, we will provide an update for investors presenting information relating to our financial and operational outlook for the second quarter and full year 2007, and other information. The update is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Investor Update

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.

June 11, 2007

By /s/ Lori A. Gobillot

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Lori A. Gobillot

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Staff Vice President and Assistant General Counsel

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EXHIBIT INDEX

99.1	Investor Update

Continental Airlines

Exhibit 99.1
DeAnne Gabel
Director - Investor Relations

Investor Update | **Issue Date: June 11, 2007**

Current News

Last week, Continental launched daily nonstop flights between its New York hub at Newark Liberty International Airport and Athens, Greece. The new service provides a link from the financial and business center of the U.S. to the capital of Greece, with connections from an extensive network of more than 230 cities throughout the entire Continental system. Athens is the latest addition to Continental's 29-city Transatlantic route network.

During the quarter, the Company also announced it will launch nonstop service between its New York hub at Newark Liberty International Airport and Mumbai, India, earlier than originally planned, following a positive market response to the proposed flights. Subject to government approval, the service will now begin on October 1, 2007 (eastbound).

Advanced Booked Seat Factor Six Weeks Outlook

Mainline advanced booked seat factors, the percentage of available seats that are sold, for the next six weeks for all regions are in line to slightly ahead of last year's levels, except for Pacific, which is running moderately behind last year's levels.

Targeted Unrestricted Cash and Short Term Investments Balance

Continental anticipates ending the second quarter of 2007 with an unrestricted cash and short-term investments balance of between $3.1 and $3.2 billion.

Cargo, Mail, and Other Revenue

Continental estimates cargo, mail, and other revenue will be between $310 and $320 million for the second quarter 2007.

During 2007, the sublease income Continental receives from ExpressJet for the aircraft covered by the capacity purchase agreement between the Company and ExpressJet will continue to be accounted for as an offset to the Regional Capacity Purchase, net line. However, the sublease income on the aircraft withdrawn from the capacity purchase agreement that ExpressJet elected to retain will be classified as Other Revenue. The Company estimates the sublease income from the withdrawn aircraft will be approximately $20 million, $25 million, and $25 million in the second, third, and fourth quarters of 2007, respectively, and is included in the Company's Cargo, Mail, and Other Revenue guidance.

Available Seat Miles (ASMs)	2007 Estimate Year-over-Year % Change 2nd Qtr.(E)
Mainline	
Domestic	6.2%
Latin America	0.1%
Transatlantic	11.7%
Pacific	1.0%
Total Mainline	6.1%
Regional	(5.3)%
Consolidated	
Domestic	4.1%
International	5.6%
Total Consolidated	4.8%

Continental expects its Mainline ASMs for the full year 2007 to be up about 5% year-over-year ("YOY") with Domestic ASMs up about 4.5% YOY and International ASMs up about 6% YOY. The Company expects its full year 2007 Regional ASMs to be down about 4.5% YOY. On a Consolidated basis, Continental expects ASMs for the full year 2007 to be up about 4% YOY with Consolidated Domestic ASMs up about 3% YOY and Consolidated International ASMs up about 6% YOY.

Load Factor	2007 Estimate 2nd Qtr.(E)	Full Year (E)

Domestic	86 - 87%	84 - 85%
Latin America	80 - 81%	80 - 81%
Transatlantic	82 - 83%	80 - 81%
Pacific	77 - 78%	78 - 79%
Total Mainline	83 - 84%	82 - 83%
Regional	80 - 81%	78 - 79%
Consolidated	83 - 84%	81 - 82%

Continental's month-to-date Consolidated load factor is updated daily and can be found on the Financial and Traffic News Releases page under the Investor Relations section of continental.com.

Pension Expense and Contributions

To date, Continental has contributed a total of $136 million to its qualified defined benefit pension plans in 2007. The Company estimates contributions to its qualified defined benefit pension plans will total approximately $320 million during 2007, significantly exceeding the minimum funding requirement of approximately $183 million during the year.

The Company estimates its non-cash pension expense will be approximately $172 million for the year, which includes first quarter non-cash settlement charges of $5 million related to lump-sum distributions from the pilot's frozen defined benefit plan. Similar settlement charges are expected for the remainder of 2007, but currently cannot be estimated.

Mainline Operating Statistics	2007 Estimate (cents)	
	2nd Qtr.(E)	Full Year(E)
CASM	10.84 - 10.89	10.66 - 10.71
Special Items per ASM (a)	- -	(0.01)
CASM Less Special Items (b)	10.84 - 10.89	10.65 - 10.70
Aircraft Fuel & Related Taxes per ASM	(3.10)	(3.08)
CASM Less Special Items and Aircraft Fuel & Related Taxes (c)	7.74 - 7.79	7.57 - 7.62

Consolidated Operating Statistics	2007 Estimate (cents)	
	2nd Qtr.(E)	Full Year (E)
CASM	11.66 - 11.71	11.52 - 11.57
Special Items per ASM (a)	- -	(0.01)
CASM Less Special Items (b)	11.66 - 11.71	11.51 - 11.56
Aircraft Fuel & Related Taxes per ASM	(3.32)	(3.30)
CASM Less Special Items and Aircraft Fuel & Related Taxes (c)	8.34 - 8.39	8.21 - 8.26

Profit Sharing

Based on current conditions, the Company's most recently prepared internal forecast for the full year 2007 contains an accrual for profit sharing. There can be no assurance that the Company's forecast will approximate actual results. Generally, the profit sharing plan provides for a profit sharing pool for eligible employees of 30% of the first $250 million of pre-tax income, 25% of the next $250 million, and 20% thereafter (with certain adjustments to pre-tax income as defined in the profit sharing plan). Profit sharing expense is accrued each quarter based on the actual cumulative profits earned year to date. For more information regarding this plan, please see the Company's 2006 Form 10-K.

Stock Based Compensation

Continental expects to record stock option expense of $4 million for the second quarter 2007 and $17 million for the full year 2007.

Continental has granted stock price based restricted stock unit ("RSU") awards and profit based RSU awards (together the "Awards") pursuant to its Long-Term Incentive and RSU Program. Expense for these Awards is recognized over the vesting period, with changes in the price of the Company's common stock or the payment percentage (which is tied to varying levels of cumulative profit sharing in the case of the profit based RSU Awards), resulting in an increase (or, in the case of a decrease in the Company's stock price, a decrease) in "wages, salaries, and related costs" in the Company's consolidated statements of operations. The closing stock price on May 31, 2007 of $40.17 was used in estimating the expense impact of the Awards for the Company's 2007 cost estimates included herein. Based on the Company's current assumptions regarding payment percentages and vesting levels of the Awards, the Company estimates that a $1 increase or decrease in the price of its common stock from May 31, 2007 will re sult in an increase or decrease of approximately $3 million in wages, salaries, and related costs attributable to the Awards to be recognized in the second quarter 2007. For more information regarding these Awards, including vesting periods and how the Company accrues for the Awards, please see the Company's 2006 Form 10-K.

Fuel Gallons Consumed	2007 Estimate	
	2nd Qtr.(E)	Full Year (E)
Mainline	394 Million	1,538 Million
Regional	79 Million	313 Million
Fuel Price per Gallon (including fuel taxes and impact of hedges)	$2.08	$2.06

Fuel Hedges

As of June 11th, Continental has hedged approximately 40% of its projected fuel requirements for the second quarter using a combination of zero cost collar contracts and swap contracts. The Company hedged approximately 28% using zero cost collars on heating oil with an average call price of $1.88 per gallon and an average put price of $1.72 per gallon. An additional 2% was hedged using swap contracts in crude oil averaging $66.08 per barrel and 10% in heating oil averaging $1.65 per gallon.

For the third quarter, Continental has hedged approximately 27% of its projected requirements using zero cost collars in heating oil with an average call price of $1.97 per gallon and an average put price of $1.80 per gallon.

For the fourth quarter, Continental has hedged approximately 5% of its projected requirements using zero cost collars in heating oil with an average call price of $2.11 per gallon and an average put price of $1.94 per gallon.

Selected Expense Amounts	2007 Estimated Amounts ($Millions)	
	2nd Qtr.(E)	Full Year (E)
Aircraft Rent	$249	$994
Landing Fees & Other Rentals	$190	$800
Depreciation & Amortization	$100	$405
Net Interest Expense	$50	$195

Continental Airlines, Inc. Tax Computation

The Company does not anticipate recording any significant provision for income taxes on any book income in 2007 due to book net operating losses for which it has not previously recognized a tax benefit. The Company does expect to record minimal tax expense and pay minimal cash taxes in 2007 mainly attributable to the Alternative Minimum Tax and state taxes. The Company estimates that its effective tax rate will be about 1.5% for the second quarter and full year 2007.

Cash Capital Expenditures	2007 Estimate ($Millions)
Fleet Related	$160
Non-Fleet	215
Rotable Parts & Capitalized Interest	55
Total	$430
Net Purchase Deposits	200
Total Cash Capital Expenditures	$630

EPS Estimated Share Count

Share count estimates for calculating basic and diluted earnings per share at different income levels are as follows:

Second Quarter 2007 (Millions)

Quarterly	Number of Shares		
Earnings Level	Basic	Diluted	Interest Addback (net of profit sharing impact)
Over $71	97	115	$4
Between $19 - $71	97	111	$2
Under $19	97	102	- --
Net Loss	97	97	- --

Full Year 2007 (Millions)

Year-to-date	Number of Shares	
Earnings Level	Basic	Diluted

			Interest Addback (net of profit sharing impact)
Over $287	98	115	$18
Between $76 - $287	98	111	$7
Under $76	98	102	- --
Net Loss	98	98	- --

These share count charts are based upon several assumptions including market stock price and number of shares outstanding. The number of shares used in the actual EPS calculation will likely be different from those set forth above.

This update 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 2006 10-K and its other securities filings, including any amendments thereto, which identify important matters such as the consequences of the Company's significant financial losses and high leverage, the significant cost of aircraft fuel, its high labor and pension costs, service interruptions at one of its hub airports, disruptions in its computer systems, and industry conditions, including the airline pricing environment, industry capacity decisions, industry consolidation, terrorist attacks, regulatory matters, excessive taxation, the availability and cost of in surance, public health threats and the seasonal nature of the airline business. 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 update, except as required by applicable law.

[tables attached]

Reconciliation of GAAP to Non-GAAP Financial Information
(millions except CASM data)

Mainline	2nd Qtr. Range(E)		Full Year Range(E)	
Operating Expenses - GAAP	$ 2,862	$ 2,876	$ 10,981	$ 11,032
Special Items (a)	-	-	(11)	(11)
Operating Expenses Excluding Special Items - Non-GAAP (b)	$ 2,862	$ 2,876	$ 10,970	$ 11,021
Aircraft Fuel & Related Taxes	(820)	(820)	(3,168)	(3,168)
Operating Expenses Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (b)	$ 2,043	$ 2,056	$ 7,802	$ 7,853
ASMs (millions)	26,405	26,405	102,994	102,994
Mainline CASM (cents)				
CASM-GAAP	10.84	10.89	10.66	10.71
Special Items (a)	-	-	(0.01)	(0.01)
CASM Excluding Special Items - Non-GAAP (b)	10.84	10.89	10.65	10.70
Aircraft Fuel & Related Taxes per ASM	(3.10)	(3.10)	(3.08)	(3.08)
CASM Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (c)	7.74	7.79	7.57	7.62

Consolidated (Mainline plus Regional)	2nd Qtr. Range(E)		Full Year Range(E)	
Operating Expenses - GAAP	$ 3,451	$ 3,466	$ 13,325	$ 13,383
Special Items (a)	-	-	(11)	(11)
Operating Expenses Excluding Special Items - Non-GAAP (b)	$ 3,451	$ 3,466	$ 13,314	$ 13,372
Aircraft Fuel & Related Taxes	(984)	(984)	(3,813)	(3,813)

Operating Expenses Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (b)	$ 2,468	$ 2,482	$ 9,501	$ 9,559
ASMs (millions)	29,601	29,601	115,662	115,662
<u>Consolidated CASM (cents)</u>				
CASM-GAAP	11.66	11.71	11.52	11.57
Special Items (a)	-	-	(0.01)	(0.01)
CASM Excluding Special Items - Non-GAAP (b)	11.66	11.71	11.51	11.56
Aircraft Fuel & Related Taxes per ASM	(3.32)	(3.32)	(3.30)	(3.30)
CASM Excluding Special Items and Aircraft Fuel & Related Taxes - Non-GAAP (c)	8.34	8.39	8.21	8.26

(a) Full Year special items include first quarter 2007 special charges of $11 million related to settlement charges for lump-sum distributions from the pilot pension plans and aircraft related charges.

(b) These financial measures provide management and investors the ability to measure and monitor Continental's performance on a consistent basis.

(c) Cost per available seat mile excluding fuel, related taxes and special items is computed by multiplying fuel price per gallon, including fuel taxes, by fuel gallons consumed and subtracting that amount from operating expenses excluding special items then dividing by available seat miles. This statistic provides management and investors the ability to measure and monitor Continental's cost performance absent special items and fuel price volatility. Both the cost and availability of fuel are subject to many economic and political factors and therefore are beyond our control.