

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):

March 22, 2002

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

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 aircraft financing and updated guidance regarding certain operating and financial statistics for the first quarter and full year 2002. The letter is attached as Exhibit 99.1 which is included herein.

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/ Jennifer L. Vogel\_\_\_\_\_

Jennifer L. Vogel

Vice President and General Counsel

March 22, 2002

EXHIBIT INDEX

1. Projected Data.

**Diane Dayhoff**

Staff Vice President Finance  
1600 Smith Street, HSQ11  
Houston, Texas 77002

March 22, 2002

Dear Investors and Analysts:

As you have heard by now, we made the announcement earlier this week to eliminate paying "base" commissions to travel agents for tickets sold in the US and Canada. We estimate this will reduce our commission expense by approximately \$100 million on an annual basis.

Last week we successfully tapped the capital markets by pricing a public offering of \$329 million of pass through certificates. This completes our aircraft financing requirements for the twenty Boeing aircraft scheduled for delivery this year.

Earlier in the quarter we finalized our revised schedule of aircraft orders with The Boeing Company. Continental deferred twenty-eight aircraft originally scheduled to deliver in 2002. These twenty-eight deferred aircraft, along with our other thirty-nine outstanding orders, will deliver between late 2003 and mid 2008. Other fleet related news includes our announcement that in the first quarter we will be taking a charge of \$52 million (\$83 million before taxes) in connection with the permanent grounding and retirement of our DC-10-30 fleet.

Our offering of \$200 million of 4 1/2% Convertible Notes that closed in February will help us meet our year-end cash balance target of \$1.5 billion. The Notes are due in January 2007, are convertible at a price of \$40 per share and will not be redeemable prior to January 2005. In part due to this transaction, we anticipate ending the first quarter 2002 with a cash balance of approximately \$1 billion.

And the most significant announcement for our customers this quarter was the unveiling of our enhanced BusinessFirst seat. The enhanced seat, which is the widest business class seat in the world, features several improvements to provide more comfort for customers including a deeper recline and 6 1/2 feet of sleeping space. Our plan is to have the new BusinessFirst seats installed in all our Boeing 777 aircraft by the end of October. You can preview some of the enhancements of our new product by visiting our website at [www.continental.com](http://www.continental.com).

Updated guidance for several financial and operational statistics is provided on Attachment A.

If you should have any questions regarding this information, please do not hesitate to contact us.

Sincerely,

**Diane Dayhoff**

This letter contains forward-looking statements that are not limited to historical facts, but reflect our current beliefs, expectations or intentions regarding future events. In connection therewith, please see the risk factors set forth in our 2001 10-K and our other securities filings, which identify important matters such as terrorist attacks and the resulting regulatory developments and costs, our recent operating losses and special charges, our high leverage and significant financing needs, our historical operating results, the significant cost of aircraft fuel, labor costs, certain tax matters, the Japanese economy and currency risk, competition and industry conditions, regulatory matters and the seasonal nature of the airline business, that could cause actual results to differ materially from those in the forward-looking statements.

## Continental Airlines' Quarterly Update

	2002 Estimated Year-over-Year Percentage Change		
<u>ASMs</u>	<u>1<sup>st</sup> Qtr.</u> (E)	<u>2<sup>nd</sup> Qtr.</u> (E)	<u>Full Year</u> (E)
Domestic	(12)%	(12)%	
Latin America	(8)%	(3)%	
Europe	(17)%	(5)%	
Pacific	(11)%	(15)%	
System	(12)%	(10)%	(6)%
Continental Express	10%	8%	14%
	<u>2002 Estimate</u>		
<u>Load Factor</u>	<u>1<sup>st</sup> Qtr.</u> (E)	<u>Full Year</u> (E)	
Continental	73 - 74%	75 - 76%	
Continental Express	58 - 59%	67 - 68%	
	<u>2002 Estimated Year-over-Year Change</u>		
<u>Jet Operating Statistics</u>	<u>1<sup>st</sup> Qtr.</u> (E)	<u>Full Year</u> (E)	
CASM	(3) - (2)%	1 - 3%	
CASM Holding Fuel Price Constant	1 - 2%	4 - 5%	
Fuel Gallons Consumed	(17) - (16)%	(11) - (10)%	
Fuel Price (excluding fuel taxes)	61 cents	68 - 71 cents	

	<u>2002 Estimated Amounts</u>	
<u>Financial</u>	<u>1<sup>st</sup>Qtr.</u> (E)	<u>Full Year</u> (E)
Aircraft Rent	\$230 Million	\$925 Million
Net Interest Expense	\$70 Million	\$310 Million
Dividends on Preferred Stock of Trust	\$2.4 Million	\$9.6 Million
-	% of Volume	
	<u>Hedged</u>	<u>Strike Price of Caps</u>
<u>Fuel Hedges 2002</u>		
Second Quarter	60%	\$25/Barrel
Third Quarter	25%	\$25/Barrel
Fourth Quarter	25%	\$25/Barrel
Full Year	40%	
<u>Cash Capital Expenditures</u>	<u>2002 Estimated Amounts</u>	
Fleet (net of purchase deposits)	\$50 Million	
Non-Fleet	\$200 Million	

### EPS Estimated Share Count

Share count estimates for calculating basic and diluted earnings per share at different income levels for first quarter and full year 2002 are as follows:

#### **First Quarter 2002 (Millions)**

Quarterly	Number of Shares		
<u>Earnings Level</u>	<u>Basic</u>	<u>Diluted</u>	<u>Interest Addback</u>
Under \$16.8	63.4	63.4	--

#### **Full Year 2002 (Millions)**

Year-to-date	Number of Shares		
<u>Earnings Level</u>	<u>Basic</u>	<u>Diluted</u>	<u>Interest Addback</u>

Over \$136.9	63.9	73.1	\$13.8
Between \$66.0 - \$136.9	63.9	68.9	\$5.2
Under \$66.0	63.9	63.9	- -

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.