

KELLNER LAWRENCE W  
 Form 4  
 October 23, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 KELLNER LAWRENCE W

2. Issuer Name and Ticker or Trading Symbol  
 CONTINENTAL AIRLINES INC  
 /DE/ [CAL]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chief Executive Officer

(Last) (First) (Middle)  
 1600 SMITH STREET, HQSEO  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 10/20/2006

HOUSTON, TX 77002  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |                            |   |  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|----------------------------|---|--|
|                                 |                                      |  | Code                           | V   | Amount or Price (A) or (D)  |  |   |                            |   |  |
| Class B Common Stock            | 10/20/2006                           |  | M                              |   | \$ 329,687  | A  | 15.78   | 350,480                    | D |  |
| Class B Common Stock            | 10/20/2006                           |  | S                              |   | 2,764.963   | D  | \$ 34.2   | 347,715.037 <sup>(1)</sup> | D |  |
| Class B Common Stock            | 10/20/2006                           |  | S                              |   | 2,764.963   | D  | \$ 34.19  | 344,950.074                | D |  |
| Class B Common                  | 10/20/2006                           |  | S                              |   | 3,926.247   | D  | \$ 34.18  | 341,023.8265               | D |  |

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Stock

Class B

Common 10/20/2006 S 497.6933 D \$ 34.17 340,526.1332 D  
 Stock

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
 (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable Expiration Date                         | Title Amount Number Shares                                    |
| Employee Stock Option (right to buy)       | \$ 15.78   | 10/20/2006                           |  | M                              | 329,687   | <sup>(2)</sup> 06/28/2007                                | Class B Common Stock 329,68                                   |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| KELLNER LAWRENCE W<br>1600 SMITH STREET<br>HQSEO<br>HOUSTON, TX 77002 | X             |           | Chief Executive Officer |       |

## Signatures

/s/ Lawrence W. Kellner by: Sarah E. Hagy 10/23/2006

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1)

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On October 20, 2006 the reporting person sold a total of 329,687 shares at an average price of \$33.5073. This Form 4 is the 1st of 3 being filed to report these individual transactions. Following such transactions, the reporting person held a total of 20,793 shares. Such total does not include indirect ownership of an additional 200 shares held by a relative of the reporting person, as to which shares the reporting person disclaims beneficial ownership.

The option vested as follows: 208,750 shares on June 28, 2002; 83,750 shares on April 17, 2003; 21,250 shares on April 17, 2004; and (2) 15,937 shares on April 17, 2005. On February 28, 2005, the reporting person forfeited to the company for no value an additional 5,313 shares that would have vested April 17, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.