

CONTINENTAL AIRLINES INC /DE/
Form 4
October 23, 2006

FORM 4

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

OMB APPROVAL

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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 *
SMISEK JEFFERY A

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

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

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

Director 10% Owner
 Officer (give title below) Other (specify below)
President

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		266,500	A	\$ 15.78 279,388	D
Class B Common Stock	10/20/2006		S		2,235.037	D	\$ 34.2 <u>277,152.963</u> (1)	D
Class B Common Stock	10/20/2006		S		2,235.037	D	\$ 34.19 274,917.926	D
Class B Common	10/20/2006		S		3,173.753	D	\$ 34.18 271,744.1735	D

Stock

Class B

Common 10/20/2006 S 402.3067 D \$ 34.17 271,341.8668 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	266,500	⁽²⁾ 06/28/2007	Class B Common Stock 266,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMISEK JEFFERY A 1600 SMITH STREET HQSEO HOUSTON, TX 77002	X		President	

Signatures

/s/ Jeffery A. Smisek 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 266,500 shares at an average price of \$33.5073. This Form 4 is the 1st of 3 reports being filed to report these individual transactions. Following such transactions, the reporting person held a total of 12,888 shares.

The option vested as follows: 167,500 shares on June 28, 2002; 67,500 shares on April 17, 2003; 17,500 shares on April 17, 2004; and (2) 14,000 shares on April 17, 2005. On February 28, 2005, the reporting person forfeited to the company for no value an additional 3,500 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.