CONTINENTAL AIRLINES INC /DE/
Form 424B2
October 29, 2009

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CALCULATION OF REGISTRATION FEE

Title of each class of securities offered	Maximum aggregate offering price	Amount of registration fee
Pass Through Certificates, Series 2009-2	$644,437,000	$35,959.59(1)

(1) The filing fee of $35,959.59 is calculated in accordance with Rule 457(r) of the Securities Act of 1933. Pursuant to Rule 457(p) under the Securities Act of 1933, a filing fee of $768.65 has already been paid with respect to unsold securities that were previously registered pursuant to a Registration Statement on Form S-3 (No. 333-133187) filed by Continental Airlines, Inc. and is being offset against the amount due with respect to this offering.

Filed Pursuant to Rule 424b2
Registration No. 333-158781

PROSPECTUS SUPPLEMENT TO PROSPECTUS, DATED APRIL 24, 2009

$644,437,000

2009-2 PASS THROUGH TRUSTS
PASS THROUGH CERTIFICATES, SERIES 2009-2

Two classes of the Continental Airlines Pass Through Certificates, Series 2009-2, are being offered under this prospectus supplement: Class A and B. A separate trust will be established for each class of certificates. The proceeds from the sale of certificates will initially be held in escrow, and interest on the escrowed funds will be payable semiannually on May 10 and November 10, commencing May 10, 2010. The trusts will use the escrowed funds to acquire equipment notes. The equipment notes will be issued by Continental Airlines and will be secured by eight Boeing aircraft currently owned by Continental and 11 new Boeing aircraft scheduled for delivery from January to June 2010. Payments on the equipment notes held in each trust will be passed through to the holders of certificates of such trust.

Interest on the equipment notes will be payable semiannually on each May 10 and November 10 after issuance. Principal payments on the equipment notes are scheduled on May 10 and November 10 in certain years, beginning on November 10, 2010.

The Class A certificates will rank senior to the Class B certificates.

Natixis S.A., acting through its New York Branch, will provide a liquidity facility for the Class A and B certificates, in each case in an amount sufficient to make three semiannual interest payments.

The certificates will not be listed on any national securities exchange.

Investing in the certificates involves risks. See Risk Factors on page S-17.

Pass Through	*Principal*	*Interest*	*Final Expected*	*Price to*

Certificates	***Amount***	***Rate***	***Distribution Date***	***Public(1)***
Class A	*$527,625,000*	*7.250 %*	*November 10, 2019*	*100 %*
Class B	*$116,812,000*	*9.250 %*	*May 10, 2017*	*100 %*

(1) Plus accrued interest, if any, from the date of issuance.

The underwriters will purchase all of the certificates if any are purchased. The aggregate proceeds from the sale of the certificates will be $644,437,000. Continental will pay the underwriters a commission of $9,666,555. Delivery of the certificates in book-entry form only will be made on or about November 10, 2009.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Joint Structuring Agents & Joint Bookrunners

MORGAN STANLEY

GOLDMAN, SACHS & CO.

CREDIT SUISSE

The date of this prospectus supplement is October 27, 2009.

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PRESENTATION OF INFORMATION

These offering materials consist of two documents: (a) this Prospectus Supplement, which describes the terms of the certificates that we are currently offering, and (b) the accompanying Prospectus, which provides general information about our pass through certificates, some of which may not apply to the certificates that we are currently offering. The information in this Prospectus Supplement replaces any inconsistent information included in the accompanying Prospectus.

We have given certain capitalized terms specific meanings for purposes of this Prospectus Supplement. The Index of Terms attached as Appendix I to this Prospectus Supplement lists the page in this Prospectus Supplement on which we have defined each such term.

At various places in this Prospectus Supplement and the Prospectus, we refer you to other sections of such documents for additional information by indicating the caption heading of such other sections. The page on which each principal caption included in this Prospectus Supplement and the Prospectus can be found is listed in the Table of Contents below. All such cross references in this Prospectus Supplement are to captions contained in this Prospectus Supplement and not in the Prospectus, unless otherwise stated.

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Prospectus Supplement

Prospectus

You should rely only on the information contained in this document or to which this document refers you. We have not authorized anyone to provide you with information that is different. This document may be used only where it is legal to sell these securities. The information in this document may be accurate only on the date of this document.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information from this Prospectus Supplement and the accompanying Prospectus and may not contain all of the information that is important to you. For more complete information about the Certificates and Continental, you should read this entire Prospectus Supplement and the accompanying Prospectus, as well as the materials filed with the Securities and Exchange Commission that are considered to be part of this Prospectus Supplement and the Prospectus. See Incorporation of Certain Documents by Reference in this Prospectus Supplement and the Prospectus.

Summary of Terms of Certificates

	Class A Certificates	Class B Certificates
Aggregate Face Amount	$527,625,000	$116,812,000
Interest Rate	7.250%	9.250%
Ratings:		
Moody s	Baa2	Ba2
Standard & Poor s	A−	BBB−
Initial Loan to Aircraft Value (cumulative)(1)	53.9%	65.5%
Highest Loan to Aircraft Value (cumulative)(2)	53.9%	65.5%
Expected Principal Distribution Window (in years)	1.0 - 10.0	1.0 - 7.5
Initial Average Life (in years from Issuance Date)	7.9	4.9
Regular Distribution Dates	May 10 and November 10	May 10 and November 10
Final Expected Distribution Date	November 10, 2019	May 10, 2017
Final Maturity Date	May 10, 2021	November 10, 2018
Minimum Denomination	$1,000	$1,000
Section 1110 Protection	Yes	Yes
Liquidity Facility Coverage	3 semiannual interest payments	3 semiannual interest payments

(1) These percentages are determined as of November 10, 2010, the first Regular Distribution Date after all Aircraft are expected to have been financed pursuant to the Offering. In calculating these percentages, we have assumed that the financings of all Aircraft hereunder are completed prior to such date and that the aggregate appraised value of such Aircraft is $952,308,120 as of such date. The appraised value is only an estimate and reflects certain assumptions. See Description of the Aircraft and the Appraisals The Appraisals .

(2) See Loan to Aircraft Value Ratios .

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Equipment Notes and the Aircraft

The 19 Aircraft to be financed pursuant to this Offering will consist of eight Boeing aircraft currently owned by Continental and 11 new Boeing aircraft. The eight currently owned aircraft consist of three Boeing 737-824 aircraft, three Boeing 757-224 aircraft, one Boeing 767-424ER aircraft and one Boeing 777-224ER aircraft. The 11 new aircraft consist of nine Boeing 737-824 aircraft scheduled for delivery from January to June 2010, and two Boeing 777-224ER aircraft scheduled for delivery in April and May 2010. Set forth below is certain information about the Equipment Notes expected to be held in the Trusts and the aircraft expected to secure such Equipment Notes:

Aircraft Type(1)	Registration Number	Manufacturer s Serial Number	Delivery Month(2)	Principal Amount of Equipment Notes	Appraised Value(3)
Boeing 737-824	N14235	28947	August 1999	$ 19,017,000	$ 28,833,333
Boeing 737-824	N37253	30584	September 2000	18,547,000	28,120,000
Boeing 737-824	N76254	30779	September 2000	17,748,000	26,910,000
Boeing 737-824	N76519	30132	January 2010	32,582,000	49,400,000
Boeing 737-824	N77520	31658	January 2010	32,582,000	49,400,000
Boeing 737-824	N79521	31662	February 2010	32,582,000	49,400,000
Boeing 737-824	N76522	31660	February 2010	32,582,000	49,400,000
Boeing 737-824	N76523	37101	March 2010	32,582,000	49,400,000
Boeing 737-824	N78524	31642	March 2010	32,582,000	49,400,000
Boeing 737-824	N77525	31659	April 2010	32,582,000	49,400,000
Boeing 737-824	N76526	38700	May 2010	32,582,000	49,550,000
Boeing 737-824	N87527	38701	June 2010	32,582,000	49,550,000
Boeing 757-224	N17139	30352	February 2000	15,189,000	23,030,000
Boeing 757-224	N41140	30353	February 2000	15,563,000	23,596,667
Boeing 757-224	N19141	30354	June 2000	16,825,000	25,510,000
Boeing 767-424ER	N67052	29447	September 2000	29,427,000	44,616,667
Boeing 777-224ER	N79011	29859	June 1999	47,131,000	71,460,000
Boeing 777-224ER	N76021	39776	April 2010	85,807,000	130,100,000
Boeing 777-224ER	N77022	39777	May 2010	85,945,000	130,310,000

(1) The indicated registration number, manufacturer s serial number and delivery month for each new aircraft reflect our current expectations, although these may differ for the actual aircraft financed hereunder. The deadline for purposes of financing an Aircraft pursuant to this Offering is August 31, 2010. The financing of each currently-owned Aircraft pursuant to this Offering is expected to be effected after the existing security interest on such Aircraft has been discharged, and the financing of each new Aircraft is expected to be effected at delivery of such Aircraft by Boeing to Continental. The actual delivery date for any new aircraft may be subject to delay or acceleration. See Description of the Aircraft and the Appraisals Timing of Financing the Aircraft . Continental

has certain rights to substitute other new aircraft if the scheduled delivery date of any new Aircraft is delayed for more than 30 days after the month scheduled for delivery. See Description of the Aircraft and the Appraisals Substitute Aircraft .

(2) An Aircraft with a Delivery Month prior to the date of this Prospectus Supplement is a currently-owned Aircraft, and an Aircraft with a Delivery Month after the date of this Prospectus Supplement is a new Aircraft.

(3) The appraised value of each Aircraft set forth above is the lesser of the average and median values of such Aircraft as appraised by three independent appraisal and consulting firms. In the case of the new Aircraft, such appraisals indicate appraised base value, projected as of the scheduled delivery month of the applicable Aircraft, and in the case of the currently-owned Aircraft, such appraisals indicate appraised base value, adjusted for the maintenance status of the applicable Aircraft. These appraisals are based upon varying assumptions and methodologies. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value. See Risk Factors Risk Factors Relating to the Certificates and the Offering The Appraisals Are Only Estimates of Aircraft Value .

Loan to Aircraft Value Ratios

The following table sets forth loan to Aircraft value ratios (LTVs) for each Class of Certificates as of November 10, 2010, the first Regular Distribution Date after all Aircraft are expected to have been financed pursuant to the Offering, and each Regular Distribution Date thereafter. The LTVs for any Class of Certificates for the period prior to November 10, 2010, are not meaningful, since during such period all of the Equipment Notes expected to be acquired by the Trusts and the related Aircraft will not be included in the calculation. The table should not be considered a forecast or prediction of expected or likely LTVs but simply a mathematical calculation based on one set of assumptions. See Risk Factors Risk Factors Relating to the Certificates and the Offering The Appraisals Are Only Estimates of Aircraft Value .

Regular Distribution Date	Assumed Aggregate Aircraft Value(1)	Outstanding Balance(2) Class A Certificates	Outstanding Balance(2) Class B Certificates	LTV(3) Class A Certificates	LTV(3) Class B Certificates
November 10, 2010	$ 952,308,120	$ 513,049,061	$ 110,955,157	53.9%	65.5%
May 10, 2011	935,961,021	502,255,148	104,480,504	53.7%	64.8%
November 10, 2011	919,613,923	489,033,871	97,914,792	53.2%	63.8%
May 10, 2012	903,266,825	475,783,496	91,345,021	52.7%	62.8%
November 10, 2012	886,919,726	462,505,424	84,701,081	52.1%	61.7%
May 10, 2013	870,572,628	449,197,821	78,009,302	51.6%	60.6%
November 10, 2013	854,225,529	435,858,686	71,211,141	51.0%	59.4%
May 10, 2014	837,878,431	422,463,361	64,360,650	50.4%	58.1%
November 10, 2014	820,799,264	408,725,540	57,475,949	49.8%	56.8%
May 10, 2015	803,555,598	394,584,586	50,592,818	49.1%	55.4%
November 10, 2015	785,968,528	380,164,280	43,698,139	48.4%	53.9%
May 10, 2016	767,698,947	365,314,874	36,779,712	47.6%	52.4%
November 10, 2016	749,429,366	354,364,015	29,849,478	47.3%	51.3%
May 10, 2017	731,159,784	343,410,613	0	47.0%	
November 10, 2017	712,890,203	332,454,467	0	46.6%	
May 10, 2018	694,620,622	321,495,353	0	46.3%	
November 10, 2018	676,351,041	310,533,024	0	45.9%	
May 10, 2019	658,081,459	299,567,204	0	45.5%	
November 10, 2019	639,079,810	0	0		

(1) We have assumed that all Aircraft will be financed under this Offering prior to November 10, 2010, and that the initial appraised value of each Aircraft, determined as described under Equipment Notes and the Aircraft , declines by approximately 3% per year for the first 15 years after the year of delivery of such Aircraft, 4% per year for each of the next five years and 5% per year for any subsequent year, in each case prior to the final expected Regular Distribution Date. Other rates or methods of depreciation may result in materially different LTVs. We cannot assure you that the depreciation rate and method used for purposes of the table will occur or predict the actual future value of any Aircraft. See Risk Factors Risk Factors Relating to the Certificates and the Offering The Appraisals Are Only Estimates of Aircraft Value .

(2) In calculating the outstanding balances of each Class of Certificates, we have assumed that the Trusts will acquire the Equipment Notes for all Aircraft. Outstanding balances as of each Regular Distribution Date are shown after giving effect to distributions expected to be made on such distribution date.

(3) The LTVs for each Class of Certificates were obtained for each Regular Distribution Date by dividing (i) the expected outstanding balance of such Class (together, in the case of the Class B Certificates, with the expected outstanding balance of the Class A Certificates) after giving effect to the distributions expected to be made on such distribution date, by (ii) the assumed value of all of the Aircraft on such date based on the assumptions described above. The outstanding balances and LTVs of each Class of Certificates will change if the Trusts do not acquire Equipment Notes with respect to all the Aircraft.

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Cash Flow Structure

Set forth below is a diagram illustrating the structure for the offering of the Certificates and certain cash flows.

(1) Each Aircraft will be subject to a separate Indenture.

(2) The Liquidity Facility for each of the Class A and B Certificates will be sufficient to cover three consecutive semiannual interest payments with respect to such Class, except that the Liquidity Facilities will not cover interest on the Deposits.

(3) The proceeds of the offering of each Class of Certificates will initially be held in escrow and deposited with the Depositary, pending financing of each Aircraft. The Depositary will hold such funds as interest bearing Deposits. Each Trust will withdraw funds from the Deposits relating to such Trust to purchase Equipment Notes from time to time as each Aircraft is financed. The scheduled payments of interest on the Equipment Notes and on the Deposits relating to a Trust, taken together, will be sufficient to pay accrued interest on the outstanding Certificates of such Trust. If any funds remain as Deposits with respect to a Trust at the Delivery Period Termination Date, such funds will be withdrawn by the Escrow Agent and distributed to the holders of the Certificates issued by such Trust, together with accrued and unpaid interest thereon. No interest will accrue with respect to the Deposits after they have been fully withdrawn.

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The Offering

Certificates Offered	Class A Pass Through Certificates, Series 2009-2. Class B Pass Through Certificates, Series 2009-2. Each Class of Certificates will represent a fractional undivided interest in a related Trust.
Use of Proceeds	The proceeds from the sale of the Certificates of each Trust will initially be held in escrow and deposited with the Depositary, pending financing of each Aircraft under this Offering. Each Trust will withdraw funds from the escrow relating to such Trust to acquire Equipment Notes as these Aircraft are financed. The Equipment Notes will be issued to generate cash for Continental s general corporate purposes from eight Boeing aircraft currently owned by Continental and to finance the purchase by Continental of 11 new Boeing aircraft.
Subordination Agent, Trustee, Paying Agent and Loan Trustee	Wilmington Trust Company.
Escrow Agent	Wells Fargo Bank Northwest, National Association.
Depositary	The Bank of New York Mellon.
Liquidity Provider	Natixis S.A., acting through its New York Branch.
Trust Property	The property of each Trust will include: Equipment Notes acquired by such Trust. All monies receivable under the Liquidity Facility for such Trust. Funds from time to time deposited with the applicable Trustee in accounts relating to such Trust, including payments made by Continental on the Equipment Notes held in such Trust.
Regular Distribution Dates	May 10 and November 10, commencing on May 10, 2010.
Record Dates	The fifteenth day preceding the related Distribution Date.
Distributions	The Trustee will distribute all payments of principal, premium (if any) and interest received on the Equipment Notes held in each Trust to the holders of the Certificates of such Trust, subject to the subordination provisions applicable to the Certificates.

	Scheduled payments of principal and interest made on the Equipment Notes will be distributed on the applicable Regular Distribution Dates. Payments of principal, premium (if any) and interest made on the Equipment Notes resulting from any early redemption of such Equipment Notes will be distributed on a special distribution date after not less than 15 days notice from the Trustee to the applicable Certificateholders.
Subordination	Distributions on the Certificates will be made in the following order: First, to the holders of the Class A Certificates to pay interest on the Class A Certificates. Second, to the holders of Class B Certificates to pay interest on the Preferred B Pool Balance.

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Third, to the holders of the Class A Certificates to make distributions in respect of the Pool Balance of the Class A Certificates.

Fourth, to the holders of the Class B Certificates to pay interest on the Pool Balance of the Class B Certificates not previously distributed under clause Second above.

Fifth, to the holders of the Class B Certificates to make distributions in respect of the Pool Balance of the Class B Certificates.

Control of Loan Trustee

The holders of at least a majority of the outstanding principal amount of Equipment Notes issued under each Indenture will be entitled to direct the Loan Trustee under such Indenture in taking action as long as no Indenture Default is continuing thereunder. If an Indenture Default is continuing, subject to certain conditions, the Controlling Party will direct the Loan Trustee under such Indenture (including in exercising remedies, such as accelerating such Equipment Notes or foreclosing the lien on the Aircraft securing such Equipment Notes).

The Controlling Party will be:

The Class A Trustee.

Upon payment of final distributions to the holders of Class A Certificates, the Class B Trustee.

Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the largest amount owed to it.

In exercising remedies during the nine months after the earlier of (a) the acceleration of the Equipment Notes issued pursuant to any Indenture or (b) the bankruptcy of Continental, the Equipment Notes and the Aircraft subject to the lien of such Indenture may not be sold for less than certain specified minimums.

Right to Purchase Other Classes of Certificates

If Continental is in bankruptcy and certain specified circumstances then exist:

The Class B Certificateholders will have the right to purchase all but not less than all of the Class A Certificates.

If an additional class of junior certificates has been issued, the holders of such junior certificates will have the right to purchase all but not less than all of the Class A and Class B Certificates.

The purchase price will be the outstanding balance of the applicable Class of Certificates plus accrued and unpaid interest.

Liquidity Facilities	Under the Liquidity Facility for each of the Trusts, the Liquidity Provider will, if necessary, make advances in an aggregate amount sufficient to pay interest on the applicable Certificates on up to three successive semiannual Regular Distribution Dates at the interest rate for such Certificates. Drawings under the Liquidity Facilities cannot be used to pay any amount in respect of the Certificates other than interest and will not cover interest payable on amounts held in escrow as Deposits with the Depositary. Notwithstanding the subordination provisions applicable to the Certificates, the holders of the Certificates to be issued by the Class A

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	Trust or the Class B Trust will be entitled to receive and retain the proceeds of drawings under the Liquidity Facility for such Trust. Upon each drawing under any Liquidity Facility to pay interest on the Certificates, the Subordination Agent will reimburse the applicable Liquidity Provider for the amount of such drawing. Such reimbursement obligation and all interest, fees and other amounts owing to the Liquidity Provider under each Liquidity Facility and certain other agreements will rank equally with comparable obligations relating to the other Liquidity Facility and will rank senior to the Certificates in right of payment.
Escrowed Funds	Funds in escrow for the Certificateholders of each Trust will be held by the Depositary as Deposits relating to such Trust. The Trustees may withdraw these funds from time to time to purchase Equipment Notes prior to the deadline established for purposes of this Offering. On each Regular Distribution Date, the Depositary will pay interest accrued on the Deposits relating to such Trust at a rate per annum equal to the interest rate applicable to the Certificates issued by such Trust. The Deposits relating to each Trust and interest paid thereon will not be subject to the subordination provisions applicable to the Certificates. The Deposits cannot be used to pay any other amount in respect of the Certificates.
Unused Escrowed Funds	All of the Deposits held in escrow may not be used to purchase Equipment Notes by the deadline established for purposes of this Offering. This may occur because of delays in the financing of Aircraft or other reasons. See Description of the Certificates Obligation to Purchase Equipment Notes . If any funds remain as Deposits with respect to any Trust after such deadline, such funds will be withdrawn by the Escrow Agent for such Trust and distributed, with accrued and unpaid interest, to the Certificateholders of such Trust after at least 15 days prior written notice. See Description of the Deposit Agreements Unused Deposits .
Obligation to Purchase Equipment Notes	The Trustees will be obligated to purchase the Equipment Notes issued with respect to each Aircraft pursuant to the Note Purchase Agreement. Continental will enter into a secured debt financing with respect to each Aircraft pursuant to financing agreements substantially in the forms attached to the Note Purchase Agreement. The terms of such financing agreements must not vary the Required Terms set forth in the Note Purchase Agreement. In addition, Continental must certify to the Trustees that any substantive modifications do not materially and adversely affect the Certificateholders. Continental must also obtain written confirmation from each Rating Agency that the use of financing agreements modified in any material respect from the forms attached to the Note Purchase Agreement will not result in a withdrawal, suspension or downgrading of the rating of any Class of Certificates. The Trustees will not be obligated to purchase Equipment Notes if, at the time of issuance, Continental is in bankruptcy or certain other specified events have occurred. See Description of the Certificates Obligation to Purchase Equipment Notes .

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Issuances of Additional Classes of Certificates	After the Delivery Period Termination Date, additional pass through certificates of one or more separate pass through trusts, which will evidence fractional undivided ownership interests in equipment notes secured by Aircraft, may be issued. Any such transaction may relate to a refinancing of Series B Equipment Notes issued with respect to all (but not less than all) of the Aircraft or the issuance of a single new series of subordinated equipment notes with respect to some or all of the Aircraft. The holders of additional pass through certificates relating to such subordinated equipment notes will have the right to purchase all of the Class A and B Certificates under certain circumstances after a bankruptcy of Continental at the outstanding principal balance of the Certificates plus accrued and unpaid interest and other amounts due to Certificateholders, but without a premium. Consummation of any such issuance of additional pass through certificates will be subject to satisfaction of certain conditions, including receipt of confirmation from the Rating Agencies that it will not result in a withdrawal, suspension or downgrading of any Class of Certificates that remains outstanding. See Possible Issuance of Additional Junior Certificates and Refinancing of Certificates .
Equipment Notes	
(a) Issuer	Continental.
(b) Interest	The Equipment Notes held in each Trust will accrue interest at the rate per annum for the Certificates issued by such Trust set forth on the cover page of this Prospectus Supplement. Interest will be payable on May 10 and November 10 of each year, commencing on the first such date after issuance of such Equipment Notes. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.
(c) Principal	Principal payments on the Equipment Notes are scheduled on May 10 and November 10 in certain years, commencing on November 10, 2010.
(d) Redemption	*Aircraft Event of Loss.* If an Event of Loss occurs with respect to an Aircraft, all of the Equipment Notes issued with respect to such Aircraft will be redeemed, unless Continental replaces such Aircraft under the related financing agreements. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest, but without any premium. *Optional Redemption.* Continental may elect to redeem all of the Equipment Notes issued with respect to an Aircraft prior to maturity, provided that all outstanding Equipment Notes with respect to all other Aircraft are simultaneously redeemed. In addition, Continental may elect to redeem the Series B Equipment Notes in connection with a refinancing of such Series. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest and Make-Whole Premium.

(e) Security	The Equipment Notes issued with respect to each Aircraft will be secured by a security interest in such Aircraft.
(f) Cross-collateralization	The Equipment Notes held in the Trusts will be cross-collateralized. This means that any proceeds from the exercise of remedies with respect to an

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	Aircraft will be available to cover shortfalls then due under Equipment Notes issued with respect to the other Aircraft. In the absence of any such shortfall, excess proceeds will be held by the relevant Loan Trustee as additional collateral for such other Equipment Notes.
(g) Cross-default	There will be cross-default provisions in the Indentures. This means that if the Equipment Notes issued with respect to one Aircraft are in default, the Equipment Notes issued with respect to the remaining Aircraft will also be in default, and remedies will be exercisable with respect to all Aircraft.
(h) Section 1110 Protection	Continental s outside counsel will provide its opinion to the Trustees that the benefits of Section 1110 of the U.S. Bankruptcy Code will be available with respect to the Equipment Notes.
Certain Federal Income Tax Consequences	Each person acquiring an interest in Certificates generally should report on its federal income tax return its pro rata share of income from the relevant Deposits and income from the Equipment Notes and other property held by the relevant Trust. See Certain U.S. Federal Income Tax Consequences .
Certain ERISA Considerations	Each person who acquires a Certificate will be deemed to have represented that either: (a) no employee benefit plan assets have been used to purchase or hold such Certificate or (b) the purchase and holding of such Certificate are exempt from the prohibited transaction restrictions of ERISA and the Code pursuant to one or more prohibited transaction statutory or administrative exemptions. See Certain ERISA Considerations .
Rating of the Certificates	It is a condition to the issuance of the Certificates that they be rated by Moody s and Standard & Poor s not less than the ratings set forth below:

Certificates	**Moody s**	**Standard & Poor s**
Class A	Baa2	A−
Class B	Ba2	BBB−

A rating is not a recommendation to purchase, hold or sell Certificates, since such rating does not address market price or suitability for a particular investor. There can be no assurance that such ratings will not be lowered, suspended or withdrawn by a Rating Agency after the Certificates have been issued.

		Moody s	**Standard & Poor s**
Threshold Rating for the Depositary	Short Term	P-1	A-1+

Depositary Rating	The Depositary meets the Depositary Threshold Rating requirement.		
		Moody s	**Standard & Poor s**
Threshold Rating for the Liquidity Provider	Short Term	P-1	A-1
Liquidity Provider Rating	The Liquidity Provider meets the Liquidity Threshold Rating requirement.		

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SUMMARY FINANCIAL AND OPERATING DATA

The following tables summarize certain consolidated financial data and certain operating data with respect to Continental. The following selected consolidated financial data for the nine months ended September 30, 2009 and 2008 are derived from the unaudited consolidated financial statements of Continental including the notes thereto included in Continental s Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, and incorporated by reference in this Prospectus Supplement and should be read in conjunction with those financial statements. The following selected consolidated financial data for the years ended December 31, 2008, 2007 and 2006 are derived from the audited consolidated financial statements of Continental including the notes thereto included in Continental s Current Report on Form 8-K dated April 24, 2009, and incorporated by reference in this Prospectus Supplement and should be read in conjunction with those financial statements. The following selected consolidated financial data for the years ended December 31, 2005 and 2004 are derived from the selected financial data contained in Continental s Current Report on Form 8-K dated April 24, 2009, and incorporated by reference in this Prospectus Supplement.

	Nine Months Ended September 30,		Year Ended December 31,				
	2009	2008	2008	2007	2006	2005	2004
	(In millions except per share data and ratios)						
Statement of Operations Data(1):							
Operating revenue	$ 9,404	$ 11,771	$ 15,241	$ 14,232	$ 13,128	$ 11,208	$ 9,899
Operating expenses	9,551	12,060	15,555	13,545	12,660	11,247	10,137
Operating income (loss)	(147)	(289)	(314)	687	468	(39)	(238)
Income (loss) before cumulative effect of change in accounting principle	(367)	(317)	(586)	439	361	(75)	(393)
Cumulative effect of change in accounting principle					(26)		
Net income (loss)	(367)	(317)	(586)	439	335	(75)	(393)
Earnings (loss) per share:							
Basic:							
Income (loss) before cumulative effect of change in accounting principle	$ (2.91)	$ (3.08)	$ (5.54)	$ 4.53	$ 4.05	$ (1.06)	$ (5.96)
Cumulative effect of change in accounting principle					(0.29)		
Net income (loss)	$ (2.91)	$ (3.08)	$ (5.54)	$ 4.53	$ 3.76	$ (1.06)	$ (5.96)
Diluted:							

Income (loss) before cumulative effect of change in accounting principle	$ (2.91)	$ (3.08)	$ (5.54)	$ 4.05	$ 3.51	$ (1.08)	$ (6.02)
Cumulative effect of change in accounting principle					(0.23)		
Net income (loss)	$ (2.91)	$ (3.08)	$ (5.54)	$ 4.05	$ 3.28	$ (1.08)	$ (6.02)
Ratio of Earnings to Fixed Charges(2)				1.42	1.25		

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(1) Includes the following special income (expense) items:

	Nine Months Ended September 30, 2009	2008	Year Ended December 31, 2008	2007	2006	2005	2004
			(In millions)				
Operating (expense) income:							
Pension settlement/curtailment charges	$	$ (8)	$ (52)	$ (31)	$ (59)	$ (83)	$
Aircraft-related charges, net of gains on sales of aircraft.	(53)	(45)	(40)	22	18	16	(87)
Severance	(5)	(33)	(34)				
Route impairment and other	(10)	(55)	(55)	(4)	14		(52)
Nonoperating (expense) income:							
Gains on sale of investments		78	78	37	92	204	
Loss on fuel hedge contracts with Lehman Brothers			(125)				
Write-down of auction rate securities, net of put right received		(29)	(34)				
Income tax credit (expense) related to NOL utilization		28	28	(114)			
Cumulative effect of change in accounting principle					(26)		

(2) For purposes of calculating this ratio, earnings consist of income before income taxes and cumulative effect of changes in accounting principles adjusted for undistributed income of companies in which Continental has a minority equity interest plus interest expense (net of capitalized interest), the portion of rental expense representative of interest expense and amortization of previously capitalized interest. Fixed charges consist of interest expenses, the portion of rental expense representative of interest expense, the amount amortized for debt discount, premium and issuance expense and interest previously capitalized. For the nine months ended September 30, 2009 and 2008, and the years ended December 31, 2008, 2005 and 2004, earnings were inadequate to cover fixed charges and the coverage deficiency was $365 million, $435 million, $702 million, $109 million and $496 million, respectively.

	As of September 30, 2009	As of December 31, 2008	2007	2006	2005	2004
			(In millions)			
Balance Sheet Data:						
Unrestricted cash, cash equivalents and short-term investments	$ 2,542	$ 2,643	$ 2,803	$ 2,484	$ 1,957	$ 1,458
Total assets	12,596	12,686	12,105	11,308	10,529	10,511

Long-term debt and capital lease obligations	5,290	5,353	4,337	4,820	5,010	5,113
Stockholders equity	446	123	1,569	386	273	209

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Selected Operating Data

Continental has two reportable segments: mainline and regional. The mainline segment consists of flights to cities using larger jets while the regional segment currently consists of flights with a capacity of 78 or fewer seats. As of September 30, 2009, the regional segment was operated by ExpressJet Airlines, Chautauqua Airlines, CommutAir and Colgan Airlines under capacity purchase agreements with Continental.

	Nine Months Ended September 30,		Year Ended December 31,				
	2009	2008	2008	2007	2006	2005	2004
Mainline Operations:							
Passengers (thousands)(1)	34,619	37,714	48,682	50,960	48,788	44,939	42,743
Revenue passenger miles (millions)(2)	60,589	64,258	82,806	84,309	79,192	71,261	65,734
Available seat miles (millions)(3)	74,119	79,124	102,527	103,139	97,667	89,647	84,672
Cargo ton miles (millions)	664	769	1,005	1,037	1,075	1,018	1,026
Passenger load factor(4):							
Mainline	81.7%	81.2%	80.8%	81.7%	81.1%	79.5%	77.6%
Domestic	84.9%	83.5%	83.3%	83.9%	83.6%	81.2%	77.4%
International	78.8%	78.9%	78.2%	79.4%	78.2%	77.5%	77.9%
Passenger revenue per available seat mile (cents)	9.36	11.13	11.10	10.47	9.96	9.32	8.82
Total revenue per available seat mile (cents)	10.75	12.51	12.51	11.65	11.17	10.46	9.83
Average yield per revenue passenger mile (cents)(5)	11.45	13.71	13.75	12.80	12.29	11.73	11.37
Average fare per revenue passenger	$ 202.62	$ 236.09	$ 232.26	$ 214.06	$ 201.81	$ 188.67	$ 177.90
Cost per available seat mile, including special charges (cents)	10.60	12.49	12.44	10.83	10.56	10.22	9.84
Special charges (credits) per available seat mile (cents)	0.08	0.15	0.15	0.01	0.03	0.07	0.16
Average price per gallon of fuel, including fuel taxes	$ 1.97	$ 3.38	$ 3.27	$ 2.18	$ 2.06	$ 1.78	$ 1.19
Fuel gallons consumed (millions)	1,061	1,159	1,498	1,542	1,471	1,376	1,333
Aircraft in fleet at end of period(6)	338	351	350	365	366	356	349
Average length of aircraft flight (miles)	1,549	1,469	1,494	1,450	1,431	1,388	1,325
Average daily utilization of each aircraft (hours)(7)	10:45	11:22	11:06	11:34	11:07	10:31	9:55
Regional Operations:							
Passengers (thousands)(1)	12,932	13,795	18,010	17,970	18,331	16,076	13,739

Revenue passenger miles (millions)(2)	6,984	7,604	9,880	9,856	10,325	8,938	7,417
Available seat miles (millions)(3)	9,145	9,938	12,984	12,599	13,251	11,973	10,410
Passenger load factor(4)	76.4%	76.5%	76.1%	78.2%	77.9%	74.7%	71.3%
Passenger revenue per available seat mile (cents)	15.22	18.35	18.14	17.47	17.15	15.67	15.09
Average yield per revenue passenger mile (cents)(5)	19.93	23.98	23.83	22.33	22.01	20.99	21.18
Aircraft in fleet at end of period(6)	266	279	282	263	282	266	245
Consolidated Operations:							
Passengers (thousands)(1)	47,551	51,509	66,692	68,930	67,119	61,015	56,482
Revenue passenger miles (millions)(2)	67,573	71,862	92,686	94,165	89,517	80,199	73,151
Available seat miles (millions)(3)	83,264	89,062	115,511	115,738	110,918	101,620	95,082
Passenger load factor(4)	81.2%	80.7%	80.2%	81.4%	80.7%	78.9%	76.9%
Passenger revenue per available seat mile (cents)	10.01	11.94	11.89	11.23	10.82	10.07	9.51
Average yield per revenue passenger mile (cents)(5)	12.33	14.80	14.82	13.80	13.41	12.76	12.36

(1) The number of revenue passengers measured by each flight segment flown.
(2) The number of scheduled miles flown by revenue passengers.
(3) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.
(4) Revenue passenger miles divided by available seat miles.
(5) The average passenger revenue received for each revenue passenger mile flown.
(6) Excludes aircraft that were removed from service. Regional aircraft include aircraft operated by all carriers under capacity purchase agreements with Continental, but exclude any aircraft operated by other operators outside the scope of Continental s capacity purchase agreements.
(7) The average number of hours per day that an aircraft flown in revenue service is operated (from gate departure to gate arrival).

RISK FACTORS

Risk Factors Relating to the Company

Fuel prices or disruptions in fuel supplies could have a material adverse effect on us

Expenditures for fuel and related taxes represent one of the largest costs of operating our business. These costs include fuel costs on flights flown for us under capacity purchase agreements. Our operations depend on the availability of jet fuel supplies, and our results are significantly impacted by changes in jet fuel prices, which have been extremely volatile in the last 18 months. Jet fuel prices decreased precipitously in the last six months of 2008 after increasing significantly in 2007 and achieving record levels in mid-2008.

Although we experienced some success in raising ticket prices and adding or increasing other fees during part of 2008, we were unable to increase our revenue sufficiently to keep pace with the escalating fuel prices and suffered a substantial loss in 2008. If fuel prices rise significantly from their current levels, we may be unable to increase fares or other fees sufficiently in the current financial environment to offset fully our increased fuel costs.

We routinely hedge a portion of our future fuel requirements to protect against rising fuel costs. However, there can be no assurance that, at any given point in time, our hedge contracts will provide any particular level of protection against increased fuel costs or that our counterparties will be able to perform under our hedge contracts, such as in the case of a counterparty s bankruptcy. Additionally, a deterioration in our financial condition could negatively affect our ability to enter into new hedge contracts in the future.

Significant declines in fuel prices (such as those experienced in the last six months of 2008) may increase the costs associated with our fuel hedging arrangements to the extent we have entered into swaps or collars. Swaps and the put option sold as part of a collar obligate us to make payments to the counterparty upon settlement of the contracts if the price of the commodity hedged falls below the agreed-upon amount. Declining crude oil prices have resulted in us being required to post significant amounts of collateral to cover potential amounts owed with respect to contracts that have not yet settled. Additionally, lower fuel prices may result in increased industry capacity and lower fares, especially to the extent that reduced fuel costs justify increased utilization by airlines of less fuel efficient aircraft that are unprofitable during periods of higher fuel prices.

Fuel prices could increase dramatically and supplies could be disrupted as a result of international political and economic circumstances, such as increasing international demand resulting from a global economic recovery, conflicts or instability in the Middle East or other oil producing regions and diplomatic tensions between the United States and oil producing nations, as well as OPEC production decisions, disruptions of oil imports, environmental concerns, weather, refinery outages or maintenance and other unpredictable events.

Further volatility in jet fuel prices or disruptions in fuel supplies, whether as a result of natural disasters or otherwise, could have a material adverse effect on our results of operations, financial condition and liquidity.

We have changed our global airline alliance, which involves significant transition and integration risks

During 2008, we entered into framework agreements with United Air Lines, Inc. (United), Lufthansa and Air Canada, each a member of Star Alliance, pursuant to which we exited the SkyTeam Alliance effective with our last flight on October 24, 2009 and joined Star Alliance on October 27, 2009. This change from SkyTeam to Star Alliance involves significant transition and integration risks, both because we were required to end our participation in SkyTeam and wind down our SkyTeam relationships prior to our being able to participate in Star Alliance and because we may incur costs and/or a loss of revenue (or a delay in anticipated increased revenue from the new alliance) in connection with these changes. The significant transition and integration risks include:

- significant revenue dilution as we wind down our participation in SkyTeam and/or insufficient, or delay in receipt of, revenue from our participation in Star Alliance, including an inability to maintain our key customer and business relationships as we transition to Star Alliance; and

- difficulties integrating our technology processes with Star Alliance members.

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In addition, the full implementation of some of the arrangements contemplated by our framework agreements requires the approval of domestic and foreign regulatory agencies. These agencies may deny us necessary approvals, delay certain approvals or, in connection with granting any such approvals, impose requirements, limitations or costs on us or on Star Alliance members, or require us or them to divest slots, gates, routes or other assets. In certain cases, such actions could prevent us from consummating some of the transactions contemplated by the framework agreements.

If any of these risks or costs materialize, they could have a material adverse effect on our business, results of operations and financial condition.

The troubled global capital markets coupled with our high leverage may affect our ability to satisfy our significant financing needs or meet our obligations

As is the case with many of our principal competitors, we have a high proportion of debt compared to our capital. We have a significant amount of fixed obligations, including debt, aircraft leases and financings, leases of airport property and other facilities and pension funding obligations. At September 30, 2009, we had approximately $6.0 billion of debt and capital lease obligations, including $2.2 billion that will come due by the end of 2011.

In addition, we have substantial non-cancelable commitments for capital expenditures, including the acquisition of new aircraft and related spare engines. To meet these obligations, we must access the global capital markets and/or achieve and sustain profitability. Due to the troubled global capital markets, however, we may be unable to obtain financing or otherwise access the capital markets on favorable terms.

Credit rating downgrades could have a material adverse effect on our liquidity

Reductions in our credit ratings may increase the cost and reduce the availability of financing to us in the future. We do not have any debt obligations that would be accelerated as a result of a credit rating downgrade. However, we would have to post additional collateral under our credit card processing agreements with Chase Bank USA, N.A. (Chase) and American Express and under our workers compensation program if our debt rating falls below specified levels.

Failure to meet our financial covenants would adversely affect our liquidity

Our credit card processing agreement with Chase (the Chase processing agreement) contains financial covenants which require, among other things, that we post additional cash collateral if we fail to maintain (1) a minimum level of unrestricted cash, cash equivalents and short-term investments, (2) a minimum ratio of unrestricted cash, cash equivalents and short-term investments to current liabilities of 0.25 to 1.0 or (3) a minimum senior unsecured debt rating of at least Caa3 and CCC− from Moody s and Standard & Poor s, respectively. If a covenant trigger under the Chase processing agreement results in our posting additional collateral under that agreement, we would also be required to post additional collateral under our credit card processing agreement with American Express.

The amount of additional cash collateral that we may be required to post in the event of our failure to comply with the financial covenants described above, which is based on our then-current air traffic liability exposure (as defined in each agreement), could be significant.

Depending on our unrestricted cash, cash equivalents and short-term investments balance at the time, the posting of a significant amount of cash collateral could cause our unrestricted cash and short-term investments balance to fall below the minimum balance of $1.0 billion required under our $350 million secured term loan facility, resulting in a default under that facility. The posting of such additional collateral under these circumstances and/or the acceleration of amounts borrowed under our secured term loan facility (or other remedies pursued by the lenders thereunder) would likely have a material adverse effect on our financial condition.

We are currently in compliance with all of the covenants under these agreements.

Our obligations for funding our defined benefit pension plans are affected by factors beyond our control

We have defined benefit pension plans covering substantially all of our U.S. employees other than employees of Chelsea Food Services and CMI. The timing and amount of our funding requirements under these plans depend upon a number of factors, including labor negotiations and changes to pension plan benefits as well as factors outside of our control, such as the number of retiring employees, asset returns, interest rates and changes in pension laws. Changes to these and other factors, such as liquidity requirements, that can significantly increase our funding requirements could have a material adverse effect on our financial condition.

Delays in scheduled aircraft deliveries continue to adversely affect our ability to expand our international capacity

Because all of our widebody aircraft are already fully utilized, we will need to acquire additional widebody aircraft to grow internationally when the level of demand for international air travel supports such growth. We have contractual commitments to purchase the long-range widebody aircraft that we currently believe are necessary for our international growth, but significant delays in their deliveries have occurred. We have been, and continue to be, adversely impacted by those delays. If significant delays in the deliveries of these new aircraft continue to occur, we will only be able to accomplish international growth by trying to make alternate arrangements to acquire the necessary long-range aircraft, possibly on less financially favorable terms, including higher ownership and operating costs and potentially involving less efficient aircraft and significant delivery delays as well.

Labor disruptions could adversely affect our operations

Although we enjoy generally good relations with our employees, we can provide no assurance that we will be able to maintain these good relations in the future or avoid labor disruptions, including a strike. Many of our collective bargaining agreements have amendable dates that began in December 2008, including those with the unions representing our pilots and mechanics. We are currently in talks with representatives of the applicable unions. We cannot predict the outcome of these negotiations, and any labor disruption, including a strike, that results in a prolonged significant reduction in flights would have a material adverse effect on our results of operations and financial condition.

Our labor costs may not be competitive

Labor costs constitute a significant percentage of our total operating costs. All of the major hub-and-spoke carriers with whom we compete have achieved significant labor cost reductions, whether in or out of bankruptcy. We believe that our wages, salaries and benefits cost per available seat mile, measured on a stage length adjusted basis, is higher than that of many of our competitors. These higher labor costs may adversely affect our ability to achieve and sustain profitability while competing with other airlines that have achieved lower relative labor costs. Additionally, we cannot predict the outcome of our ongoing negotiations with our unionized workgroups, although significant increases in the pay and benefits resulting from new collective bargaining agreements could have a material adverse effect on us.

If we experience problems with certain of our third party regional operators, our operations could be materially adversely affected

All of our regional operations are conducted by third party operators on our behalf, primarily under capacity purchase agreements. Due to our reliance on third parties to provide these essential services, we are subject to the risks of disruptions to their operations, which may result from many of the same risk factors disclosed in this Prospectus Supplement. In addition, we may also experience disruption to our regional operations if we terminate the capacity purchase agreement with one or more of our current operators and transition the services to another provider. As our regional segment provides revenue to us directly and indirectly (by providing flow traffic to our hubs), a significant disruption to our regional operations could have a material adverse effect on our results of operations and financial condition.

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Interruptions or disruptions in service at one of our hub airports could have a material adverse effect on our operations

We operate principally through our hub operations at metropolitan New York s Newark Liberty International Airport, Houston s George Bush International Airport, Cleveland s Hopkins International Airport and Guam s A.B. Won Pat International Airport. Substantially all of our flights either originate from or fly into one of these locations, contributing to a large amount of origin and destination traffic. A significant interruption or disruption in service at one of our hubs resulting from air traffic control delays, weather conditions or events, growth constraints, relations with third party service providers, failure of computer systems, labor relations, fuel supplies, terrorist activities or otherwise could result in the cancellation or delay of a significant portion of our flights and, as a result, our business could be materially adversely affected.

We could experience adverse publicity and declining revenues as a result of an accident involving our aircraft or the aircraft of our regional carriers

Any accident involving an aircraft that we operate or an aircraft that is operated under our brand by one of our regional carriers could have a material adverse effect on us if such accident created a public perception that our operations or those of our regional carriers are less safe or reliable than other airlines, resulting in passengers being reluctant to fly on our aircraft or those of our regional carriers. In addition, any such accident could expose us to significant tort liability. Although we currently maintain liability insurance in amounts and of the type we believe to be consistent with industry practice to cover damages arising from any such accidents, and our regional carriers carry similar insurance and generally indemnify us for their operations on our behalf, if our liability exceeds the applicable policy limits or the ability of a carrier to indemnify us, we could incur substantial losses from an accident.

A significant failure or disruption of the computer systems on which we rely could adversely affect our business

We depend heavily on computer systems and technology to operate our business, such as flight operations systems, communications systems, airport systems and reservations systems (including continental.com and third party global distribution systems). These systems could suffer substantial or repeated disruptions due to events beyond our control, including natural disasters, power failures, terrorist attacks, equipment or software failures, computer viruses or hackers. Any such disruptions could materially impair our flight and airport operations and our ability to market our services, and could result in increased costs, lost revenue and the loss or compromise of important data. Although we have taken measures in an effort to reduce the adverse effects of certain potential failures or disruptions, if these steps are not adequate to prevent or remedy the risks, our business may be materially adversely affected.

Our net operating loss carryforwards may be limited

At December 31, 2008, we had estimated net operating loss carryforwards (NOLs) of $3.8 billion for federal income tax purposes that expire beginning in 2009 and continuing through 2028. Section 382 of the Internal Revenue Code (Section 382) imposes limitations on a corporation s ability to utilize NOLs if it experiences an ownership change. In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period.

In the event of an ownership change, utilization of our NOLs would be subject to an annual limitation under Section 382 determined by multiplying the value of our stock at the time of the ownership change by the applicable long-term tax-exempt rate (which is 5.40% for December 2008). Any unused annual limitation may be carried over to later years.

For purposes of Section 382, increases in share holdings by, or that result in a person becoming, a holder of 5% or more of the outstanding shares of our common stock are aggregated for purposes of determining whether an ownership change has occurred. Because our common stock has been trading at low market prices, the cost of acquiring a sufficient number of shares of our common stock to become a holder of 5% or more of the outstanding shares, and the cost of acquiring additional shares by existing holders, has decreased significantly from historical levels, increasing the possibility that we could experience an ownership change. Although we cannot currently predict whether or when such an ownership change may occur, an ownership change as of September 30, 2009 would have resulted in a $101 million limit to our annual NOL utilization, before consideration of any built-in gains. The imposition of this limitation on our ability to use our NOLs to offset future taxable income could cause us to pay U.S. federal income taxes earlier than if such limitation were not in effect and could cause such NOLs to expire unused, reducing or eliminating the benefit of such NOLs. In addition, depending on the market value of our common stock at the time of any such ownership change, we could be required to recognize a significant non-cash tax charge, the amount of which we cannot estimate at this time.

Risk Factors Relating to the Airline Industry

The global recession could continue to result in less demand for air travel

The U.S. and global economies are currently in a recession. The airline industry is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and global economies. For 2008, a year in which the U.S. gross domestic product experienced its largest contraction in 25 years, traffic for the seven largest U.S. carriers, measured in miles flown by revenue passengers, fell approximately 2% as compared to 2007, the first such annual decline in five years. This decline in demand has disproportionately reduced the volume of high yield traffic in the premium cabins on international flights, as many business and leisure travelers are either curtailing their international travel or purchasing lower yield economy tickets. A prolonged recession in the U.S. or global economies that continues to contribute to the loss of business and leisure traffic, particularly the loss of high yield international traffic in our first class and BusinessFirst cabins, could have a material adverse effect on our results of operations and financial condition.

The airline industry is highly competitive and susceptible to price discounting

The U.S. airline industry is characterized by substantial price competition, especially in domestic markets. Carriers use discount fares to stimulate traffic during periods of slack demand, or when they begin service to new cities or have excess capacity, to generate cash flow and to establish, increase or preserve market share. Some of our competitors have greater financial resources (including a larger percentage or more favorable fuel hedges against price increases) and/or lower cost structures than we do, some of which is the result of bankruptcies and/or mergers. In recent years, the domestic market share held by low-cost carriers has increased significantly and is expected to continue to increase. The increased market presence of low-cost carriers, which engage in substantial price discounting, has diminished the ability of the network carriers to maintain sufficient fare levels in domestic markets to achieve sustained profitability. We cannot predict whether or for how long these trends will continue.

In addition to price competition, airlines also compete for market share by increasing the size of their route system and the number of markets they serve. Several of our domestic competitors have increased their international capacity, including service to some destinations that we currently serve. Additionally, the open skies agreement between the United States and the European Union, which became effective on March 30, 2008, is resulting in increased competition from European and U.S. airlines in these international markets, and may give rise to additional consolidation or better integration opportunities among European carriers. The increased competition in these international markets, particularly to the extent our competitors engage in price discounting, may have a material adverse effect on our results of operations, financial condition or liquidity.

Expanded government regulation could further increase our operating costs and restrict our ability to conduct our business

Airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs and can adversely affect us. Additional laws, regulations, airport rates and charges and growth constraints have been proposed from time to time that could significantly increase the cost of airline operations or reduce revenue. In addition, to address concerns about airport congestion, the Federal Aviation Administration (FAA) has designated certain airports, including New York Liberty, Kennedy and LaGuardia as high density traffic airports, and has imposed operating restrictions at these three airports, which may include capacity reductions. In addition, the FAA has designated New York Liberty and Kennedy as Level 3 Coordinated Airports under the International Air Transport Association Worldwide Scheduling Guidelines, which requires us to participate in seasonal FAA procedures for capacity allocation and schedule coordination for New York Liberty and to have slots to operate at that airport. Additional restrictions on airline routes and takeoff and landing slots may be proposed that could affect rights of ownership and transfer. Although we do not believe that these current operating restrictions will have a material adverse effect on our operations at New York Liberty, we cannot predict the impact of future capacity constraints or allocations or other restrictions on our operations that might be imposed by the FAA, Congress or other regulators, which could have a material adverse effect on us.

The FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures or operational restrictions. Some FAA requirements cover, among other things, retirement of older aircraft, security measures, collision avoidance systems, airborne windshear avoidance systems, noise abatement and other environmental concerns, aircraft operation and safety and increased inspections and maintenance procedures to be conducted on older aircraft.

Many aspects of airlines operations also are subject to increasingly stringent federal, state, local and foreign laws protecting the environment, including the imposition of additional taxes on airlines or their passengers. Future regulatory developments in the United States and abroad could adversely affect operations and increase operating costs in the airline industry. The European Union has issued a directive to member states to include aviation in its Greenhouse Gas Emissions Trading Scheme by February 2010, which will require us to have emissions allowances to operate flights to and from member states of the European Union in January 2012 and thereafter, including flights between the United States and the European Union. Non-EU governments are expected to challenge the application of the EU emissions trading scheme to their airlines; however, we may be forced to comply with the EU emission trading scheme requirements during a legal challenge. We may have to purchase emissions allowances through the EU emissions trading scheme to cover EU flights that exceed our free allotment, which could result in substantial costs for us.

Other regulatory actions that may be taken in the future by the U.S. government, other foreign governments or the International Civil Aviation Organization to address concerns about climate change and air emissions from the aviation sector are unknown at this time. Climate change legislation has been introduced in the U.S. Congress, including a proposal to require transportation fuel producers and importers to purchase emission credits. It is currently unknown, however, if any such legislation will pass the Congress or, if passed and enacted into law, how it would specifically apply to the aviation industry. The impact to us and our industry from such actions is likely to be adverse and could be significant, particularly if regulators were to conclude that emissions from commercial aircraft cause significant harm to the upper atmosphere or have a greater impact on climate change than other industries. Potential actions may include the imposition of requirements to purchase emission offsets or credits, which could require participation in emission trading (such as required in the European Union), substantial taxes on emissions and growth restrictions on airline operations, among other potential regulatory actions.

Further, the ability of U.S. carriers to operate international routes is subject to change because the applicable arrangements between the United States and foreign governments may be amended from time to time, or because appropriate slots or facilities are not made available. We cannot provide assurance that laws or regulations enacted in the future will not have a significant adverse effect on us.

Additional terrorist attacks or international hostilities may further adversely affect our financial condition, results of operations and liquidity

The terrorist attacks of September 11, 2001 involving commercial aircraft severely and adversely affected our financial condition, results of operations and liquidity and the airline industry generally. Additional terrorist attacks, even if not made directly on the airline industry, or the fear of such attacks (including elevated national threat warnings or selective cancellation or redirection of flights due to terror threats such as the August 2006 terrorist plot targeting multiple airlines, including us), could negatively affect us and the airline industry. The potential negative effects include increased security, insurance and other costs for us and lost revenue from increased ticket refunds and decreased ticket sales. Our financial resources might not be sufficient to absorb the adverse effects of any further terrorist attacks or other international hostilities involving the United States.

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Additional security requirements may increase our costs and decrease our traffic

Since September 11, 2001, the Department of Homeland Security (DHS) and the Transportation Security Administration (TSA) have implemented numerous security measures that affect airline operations and costs, and they are likely to implement additional measures in the future. Most recently, DHS has begun to implement the US-VISIT program (a program of fingerprinting and photographing foreign visa holders), announced that it will implement greater use of passenger data for evaluating security measures to be taken with respect to individual passengers, expanded the use of federal air marshals on our flights (who do not pay for their seats and thus displace revenue passengers and cause increased customer complaints from displaced passengers), begun investigating a requirement to install aircraft security systems (such as devices on commercial aircraft as countermeasures against portable surface-to-air missiles) and expanded cargo and baggage screening. DHS also has required certain flights to be cancelled on short notice for security reasons, and has required certain airports to remain at higher security levels than other locations. In addition, foreign governments also have begun to institute additional security measures at foreign airports we serve, out of their own security concerns or in response to security measures imposed by the United States.

Moreover, the TSA has imposed measures affecting the contents of baggage that may be carried on an aircraft. The TSA and other security regulators could impose other measures as necessary to respond to security threats that may arise in the future.

A large portion of the costs of these security measures is borne by the airlines and their passengers, and we believe that these and other security measures have the effect of decreasing the demand for air travel and the overall attractiveness of air transportation as compared to other modes of transportation. Additional security measures required by the U.S. and foreign governments in the future, such as further expanded cargo screening, might increase our costs or decrease the demand for air travel, adversely affecting our financial results.

The airline industry is heavily taxed

The airline industry is subject to extensive government fees and taxation that negatively impact our revenue. The U.S. airline industry is one of the most heavily taxed of all industries. These fees and taxes have grown significantly in the past decade for domestic flights, and various U.S. fees and taxes also are assessed on international flights. In addition, the governments of foreign countries in which we operate impose on U.S. airlines, including us, various fees and taxes, and these assessments have been increasing in number and amount in recent years. Certain of these fees and taxes must be included in the fares we advertise or quote to our customers. Due to the competitive revenue environment, many increases in these fees and taxes have been absorbed by the airline industry rather than being passed on to the passenger. Further increases in fees and taxes may reduce demand for air travel and thus our revenues.

Airlines may continue to participate in industry consolidation or alliances, which could have a material adverse effect on us

We are facing stronger competition from carriers that have participated in industry consolidation and from expanded airline alliances and joint ventures.

Since its deregulation in 1978, the U.S. airline industry has undergone substantial consolidation and additional consolidation may occur in light of the recently completed merger of Delta Air Lines, Inc. (Delta) and Northwest Airlines, Inc. (Northwest), which changed the competitive environment for us and the entire airline industry. As a result of the announcement of the Delta/Northwest merger agreement, we conducted a comprehensive review of our strategic alternatives and announced in April 2008 that we had determined that the best course for us was not to merge with another airline at such time. Through consolidation, carriers have the opportunity to significantly expand the reach of their networks, which is of primary importance to business travelers, and to achieve cost reductions by eliminating redundancy in their networks and their management structures.

Through participation in airline alliances and/or joint ventures, carriers granted anti-trust immunity by the appropriate regulatory authorities are able to coordinate their routes, pool their revenues and costs and enjoy other mutual benefits, such as frequent flier program reciprocity, achieving many of the benefits of consolidation. For

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example, Air France-KLM, Delta and Northwest have received anti-trust immunity to form a new trans-Atlantic joint venture among those airlines and to coordinate routes, fares, schedules and other matters among those airlines, Alitalia and CSA Czech Airlines. American Airlines, British Airways and Iberia have requested anti-trust immunity for a similar trans-Atlantic joint venture, which would also involve many of the same benefits.

There may be additional consolidation or changes in airline alliances and/or joint ventures in the future, any of which could change the competitive landscape for the airline industry and have a material adverse effect on us.

Insurance costs could increase materially or key coverage could become unavailable

The September 11, 2001 terrorist attacks led to a significant increase in insurance premiums and a decrease in the insurance coverage available to commercial airlines. Furthermore, our ability to continue to obtain certain types of insurance remains uncertain. Since the terrorist attacks, the U.S. government has provided war risk (terrorism) insurance to U.S. commercial airlines to cover losses. War risk insurance in amounts necessary for our operations, and at premiums that are not excessive, is not currently available in the commercial insurance market. If the government discontinues this coverage in whole or in part, we may be able to obtain comparable coverage in the commercial insurance market only, if it is available at all, for substantially higher premiums and on more restrictive terms. If we are unable to obtain adequate war risk insurance, our business could be materially and adversely affected.

Public health threats affecting travel behavior could have a material adverse effect on the industry

Public health threats, such as the H1N1 flu virus, the bird flu, Severe Acute Respiratory Syndrome (SARs) and other highly communicable diseases, outbreaks of which have occurred in various parts of the world in which we operate, could have a significant adverse impact on our operations and the worldwide demand for air travel. Travel restrictions or operational problems, such as quarantining of personnel or inability to access our facilities or aircraft in any part of the world in which we operate, or any reduction in the demand for air travel caused by public health threats in the future, could materially adversely affect our operations and financial results.

Our results of operations fluctuate due to seasonality and other factors associated with the airline industry

Due to greater demand for air travel during the summer months, revenue in the airline industry in the second and third quarters of the year is generally stronger than revenue in the first and fourth quarters of the year for most U.S. air carriers. Our results of operations generally reflect this seasonality, but also have been impacted by numerous other factors that are not necessarily seasonal, including excise and similar taxes, weather and air traffic control delays, as well as the other factors discussed above. As a result, our operating results for a quarterly period are not necessarily indicative of operating results for an entire year, and historical operating results are not necessarily indicative of future operating results.

Risk Factors Relating to the Certificates and the Offering

The Appraisals Are Only Estimates of Aircraft Value

Three independent appraisal and consulting firms have prepared appraisals of the Aircraft. Letters summarizing such appraisals are annexed to this Prospectus Supplement as Appendix II. Such appraisals are based on varying assumptions and methodologies, which differ among the appraisers, and were prepared without physical inspection of the Aircraft. Appraisals that are based on other assumptions and methodologies may result in valuations that are materially different from those contained in such appraisals. See Description of the Aircraft and the Appraisals The Appraisals .

An appraisal is only an estimate of value. It does not indicate the price at which an Aircraft may be purchased from the Aircraft manufacturer. Nor should an appraisal be relied upon as a measure of realizable value. The proceeds realized upon a sale of any Aircraft may be less than its appraised value. In particular, the appraisals of the new Aircraft are estimates of values as of future delivery dates. The value of an Aircraft if remedies are exercised under the applicable Indenture will depend on market and economic conditions, the supply of similar aircraft, the availability of buyers, the condition of the Aircraft and other factors. Accordingly, there can be no assurance that the proceeds realized upon any such exercise of remedies would be sufficient to satisfy in full payments due on the Certificates.

Certain Certificateholders May Not Participate In Controlling the Exercise of Remedies in a Default Scenario

If an Indenture Default is continuing, subject to certain conditions, the Loan Trustee under such Indenture will be directed by the Controlling Party in exercising remedies under such Indenture, including accelerating the applicable Equipment Notes or foreclosing the lien on the Aircraft securing such Equipment Notes. See Description of the Certificates Indenture Defaults and Certain Rights Upon an Indenture Default .

The Controlling Party will be:

The Class A Trustee.

Upon payment of final distributions to the holders of Class A Certificates, the Class B Trustee.

Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider with the largest amount owed to it.

As a result of the foregoing, if the Trustee for a Class of Certificates is not the Controlling Party with respect to an Indenture, the Certificateholders of that Class will have no rights to participate in directing the exercise of remedies under such Indenture.

The Exercise of Remedies Over Equipment Notes May Result in Shortfalls Without Further Recourse

During the continuation of any Indenture Default under an Indenture, the Equipment Notes issued under such Indenture may be sold in the exercise of remedies with respect to that Indenture, subject to certain limitations. See Description of the Intercreditor Agreement Intercreditor Rights Limitation on Exercise of Remedies . The market for Equipment Notes during any Indenture Default may be very limited, and there can be no assurance as to the price at which they could be sold. If any Equipment Notes are sold for less than their outstanding principal amount, certain Certificateholders will receive a smaller amount of principal distributions under the relevant Indenture than anticipated and will not have any claim for the shortfall against Continental, any Liquidity Provider or any Trustee.

The Ratings of the Certificates Are Not a Recommendation to Buy and May Be Lowered or Withdrawn in the Future

It is a condition to the issuance of the Certificates that the Class A Certificates be rated not lower than Baa2 by Moody s and A− by Standard & Poor s and the Class B Certificates be rated not lower than Ba2 by Moody s and BBB− by Standard & Poor s. A rating is not a recommendation to purchase, hold or sell Certificates, because such rating does not address market price or suitability for a particular investor. A rating may not remain unchanged for any given period of time and may be lowered, suspended or withdrawn entirely by a Rating Agency if in its judgment circumstances in the future (including the downgrading of Continental, the Depositary or a Liquidity Provider) so warrant.

The rating of the Certificates is based primarily on the default risk of the Equipment Notes and the Depositary, the availability of the Liquidity Facilities for the benefit of holders of the Class A and Class B Certificates, the collateral value provided by the Aircraft relating to the Equipment Notes, the cross-collateralization provisions applicable to the Indentures and the subordination provisions applicable to the Certificates. These ratings address the likelihood of timely payment of interest (at the Stated Interest Rate and without any premium) when due on the Certificates and the ultimate payment of principal distributable under the Certificates by the Final Maturity Date. The ratings do not address the possibility of certain defaults, optional redemptions or other circumstances, which could result in the payment of the outstanding principal amount of the Certificates prior to the final expected Distribution Date. Standard & Poor s has indicated that its rating applies to a unit consisting of Certificates representing the Trust Property and Escrow Receipts initially representing interests in $644,437,000 of Deposits.

Amounts deposited under the Escrow Agreements are not property of Continental and are not entitled to the benefits of Section 1110 of the U.S. Bankruptcy Code and any default arising under an Indenture solely by reason of the cross-default in such Indenture may not be of a type required to be cured under Section 1110 of the U.S. Bankruptcy Code. Any cash collateral held as a result of the cross-collateralization of the Equipment Notes also would not be entitled to the benefits of Section 1110 of the U.S. Bankruptcy Code. Neither the Certificates nor the Escrow Receipts may be separately assigned or transferred.

Escrowed Funds May Be Returned If They Are Not Used to Buy Equipment Notes

Under certain circumstances, all of the funds held in escrow as Deposits may not be used to purchase Equipment Notes by the deadline established for purposes of this Offering. See Description of the Deposit Agreements Unused Deposits . If any funds remain as Deposits with respect to any Trust after such deadline, they will be withdrawn by the Escrow Agent for such Trust and distributed, with accrued and unpaid interest but without any premium, to the Certificateholders of such Trust. See Description of the Deposit Agreements Unused Deposits .

There May Be a Limited Market for Resale of Certificates

Prior to this Offering, there has been no public market for the Certificates. Neither Continental nor any Trust intends to apply for listing of the Certificates on any securities exchange or otherwise. The Underwriters may assist in resales of the Certificates, but they are not required to do so. A secondary market for the Certificates may not develop. If a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow you to resell any of your Certificates.

USE OF PROCEEDS

The proceeds from the sale of the Certificates being offered hereby will be used to purchase Equipment Notes issued by Continental during the Delivery Period to generate cash for Continental s general corporate purposes from eight Aircraft that it currently owns and to finance Continental s purchase of nine new Boeing 737-824 Aircraft and two new Boeing 777-224ER Aircraft. Before the proceeds are used to buy Equipment Notes, such proceeds from the sale of the Certificates of each Trust will be deposited with the Depositary on behalf of the applicable Escrow Agent for the benefit of the holders of such Certificates.

THE COMPANY

Continental Airlines, Inc. (Continental or the Company) is a major United States air carrier engaged in the business of transporting passengers, cargo and mail. Continental is the world s fifth largest airline as measured by the number of scheduled miles flown by revenue passengers in 2008. Including Continental s wholly owned subsidiary, Continental Micronesia, Inc. (CMI), and regional flights operated on Continental s behalf under capacity purchase agreements with other carriers, Continental operates more than 2,000 daily departures. As of September 30, 2009, Continental served 117 domestic and 117 international destinations and offered additional connecting service through alliances with domestic and foreign carriers. Continental directly served nine Canadian cities, 25 European cities, seven South American cities, and six Asian cities from the U.S. mainland as of September 30, 2009. In addition, Continental provides service to more destinations in Mexico and Central America than any other U.S. airline, serving 38 cities. Through its Guam hub, CMI provides extensive service in the western Pacific, including service to more Japanese cities than any other U.S. carrier. The Company s executive offices are located at 1600 Smith Street, Houston, Texas 77002. The Company s telephone number is (713) 324-2950 and its website is www.continental.com. Information contained on the Company s website is not part of, and is not incorporated in, this Prospectus Supplement.

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DESCRIPTION OF THE CERTIFICATES

The following summary describes the material terms of the Certificates. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Basic Agreement, which was filed with the Securities and Exchange Commission (the Commission) as an exhibit to the Company s Current Report on Form 8-K dated September 25, 1997, and to all of the provisions of the Certificates, the Trust Supplements, the Deposit Agreements, the Escrow Agreements, the Intercreditor Agreement and the trust supplements applicable to the Successor Trusts, each of which will be filed as an exhibit to a Current Report on Form 8-K to be filed by Continental with the Commission. Except as otherwise indicated, the following summary relates to each of the Trusts and the Certificates issued by each Trust. The references to Sections in parentheses in the following summary are to the relevant Sections of the Basic Agreement unless otherwise indicated.

General

Each Pass Through Certificate (collectively, the Certificates) will represent a fractional undivided interest in one of the two Continental Airlines 2009-2 Pass Through Trusts (the Class A Trust and the Class B Trust and, collectively, the Trusts). (Section 2.01) The Trusts will be formed pursuant to a pass through trust agreement between Continental and Wilmington Trust Company, as trustee (the Trustee), dated as of September 25, 1997 (the Basic Agreement), and two separate supplements thereto (each, a Trust Supplement and, together with the Basic Agreement, collectively, the Pass Through Trust Agreements) relating to such Trusts between Continental and the Trustee, as trustee under the Class A Trust (the Class A Trustee) and trustee under the Class B Trust (the Class B Trustee). The Certificates to be issued by the Class A Trust and the Class B Trust are referred to herein as the Class A Certificates and the Class B Certificates .

Each Certificate will represent a fractional undivided interest in the Trust created by the Basic Agreement and the applicable Trust Supplement pursuant to which such Certificate is issued. The Trust Property of each Trust (the Trust Property) will consist of:

- Subject to the Intercreditor Agreement, Equipment Notes acquired under the Note Purchase Agreement and issued on a recourse basis by Continental in a separate secured loan transaction in connection with the financing by Continental of each Aircraft during the Delivery Period. Equipment Notes held in each Trust will be registered in the name of the Subordination Agent on behalf of such Trust for purposes of giving effect to provisions of the Intercreditor Agreement.