

CONTINENTAL AIRLINES INC /DE/

Form 424B3

March 08, 2012

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This preliminary prospectus supplement relates to an effective registration statement under the Securities Act of 1933, as amended, but it is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-158781**

SUBJECT TO COMPLETION, DATED MARCH 8, 2012

PROSPECTUS SUPPLEMENT TO PROSPECTUS, DATED APRIL 24, 2009

\$892,138,000

2012-1 PASS THROUGH TRUSTS

PASS THROUGH CERTIFICATES, SERIES 2012-1

Two classes of the Continental Airlines Pass Through Certificates, Series 2012-1, 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 April 11 and October 11, commencing October 11, 2012. The trusts will use the escrowed funds to acquire equipment notes. The equipment notes will be issued by Continental Airlines, Inc. and will be secured by 18 new Boeing aircraft scheduled for delivery from February 2012 to December 2012 and three Boeing aircraft acquired by Continental in 2009. 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 April 11 and October 11 after issuance (but not before October 11, 2012). Principal payments on the equipment notes are scheduled on April 11 and October 11 in certain years, beginning on October 11, 2013.

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

Credit Suisse AG, New York Branch, will provide the initial 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		Interest		
Certificates	Face Amount	Rate	Final Expected Distribution Date	Price to Public(1)
Class A	\$753,035,000	%	April 11, 2024	100%
Class B	\$139,103,000	%	April 11, 2020	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 \$892,138,000. Continental will pay the underwriters a commission of \$. Delivery of the certificates in book-entry form only will be made on or about , 2012.

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 and Lead Bookrunners

Credit Suisse

Morgan Stanley

Bookrunners

Deutsche Bank Securities

Goldman, Sachs & Co.

Co-Managers

Citigroup

J.P. Morgan

Jefferies

The date of this prospectus supplement is March , 2012.

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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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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.

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*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	\$753,035,000	\$139,103,000
Interest Rate	%	%
Initial Loan to Aircraft Value (cumulative)(1)	55.3%	65.5%
Highest Loan to Aircraft Value (cumulative)(2)	55.3%	65.5%
Expected Principal Distribution Window (in years)	1.6-12.1	1.6-8.1
Initial Average Life (in years from Issuance Date)	9.2	5.7
Regular Distribution Dates	April 11 and October 11	April 11 and October 11
Final Expected Distribution Date	April 11, 2024	April 11, 2020
Final Maturity Date	October 11, 2025	October 11, 2021
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 April 11, 2013, 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 April 11, 2013 and that the aggregate appraised value of such Aircraft is \$1,361,373,872 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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The 21 Aircraft to be financed pursuant to this Offering will consist of 18 new Boeing aircraft and three Boeing 737-924ER aircraft acquired by Continental in 2009. The new aircraft will consist of 14 Boeing 737-924ER aircraft and four Boeing 787-8 aircraft scheduled for delivery between February 2012 and December 2012. These new aircraft will be selected by Continental from among 18 Boeing 737-924ER aircraft (including one or more that may have been delivered to Continental in 2012 prior to the availability of financing pursuant to this Offering) and six Boeing 787-8 aircraft. See Description of the Aircraft and the Appraisals The Appraisals for a description of the 24 new aircraft from which Continental will select the 18 new aircraft that may be financed with the proceeds of this Offering. 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 (assuming for the purposes of the chart below that the first 14 Boeing 737-924ER aircraft of the 18 new Boeing 737-924ER aircraft and the first four Boeing 787-8 aircraft of the six Boeing 787-8 aircraft from which Continental may choose are financed hereunder):

Aircraft Type(1)	Registration Number	Manufacturer's Serial Number	Delivery Month(2)	Principal Amount of Equipment Notes	Appraised Value(3)	Latest Equipment Note Maturity Date
Boeing 737-924ER	N75432	32835	February 2009	\$ 28,454,000	\$ 45,060,000	April 11, 2024
Boeing 737-924ER	N75433	33527	March 2009	28,524,000	45,170,000	April 11, 2024
Boeing 737-924ER	N75435	33529	May 2009	28,810,000	45,623,333	April 11, 2024
Boeing 737-924ER	N36447	31650	February 2012	33,912,000	52,856,667	April 11, 2024
Boeing 737-924ER	N81449	31651	March 2012	33,949,000	52,913,444	April 11, 2024
Boeing 737-924ER	N78448	40003	March 2012	33,949,000	52,913,444	April 11, 2024
Boeing 737-924ER	N38451	31646	April 2012	34,032,000	53,043,888	April 11, 2024
Boeing 737-924ER	N39450	40004	April 2012	34,032,000	53,043,888	April 11, 2024
Boeing 737-924ER	N68452	40005	May 2012	34,069,000	53,100,776	April 11, 2024
Boeing 737-924ER	N68453	41742	May 2012	34,069,000	53,100,776	April 11, 2024
Boeing 737-924ER	N38454	31640	June 2012	34,108,000	53,161,219	April 11, 2024
Boeing 737-924ER	N34455	41743	June 2012	34,108,000	53,161,219	April 11, 2024
Boeing 737-924ER	N37456	37205	September 2012	34,334,000	53,458,994	April 11, 2024
Boeing 737-924ER	N28457	41744	September 2012	34,334,000	53,458,994	April 11, 2024
Boeing 737-924ER	N38458	37206	October 2012	34,461,000	53,656,104	April 11, 2024
Boeing 737-924ER	N38459	37199	October 2012	34,461,000	53,656,104	April 11, 2024
Boeing 737-924ER	N34460	37200	November 2012	34,497,000	53,712,992	April 11, 2024
Boeing 787-8	N20904	34824	September 2012	81,819,000	127,394,870	April 11, 2024
Boeing 787-8	N26906	34829	October 2012	82,014,000	127,697,813	April 11, 2024
Boeing 787-8	N27901					