CONTINENTAL AIRLINES INC /DE/
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Registration No. 333-67886

PROSPECTUS SUPPLEMENT
(To Prospectus dated August 23, 2001)

$414,564,763

2003-ERJ1 Pass Through Trust

Pass Through Certificates, Series 2003-ERJ1

The Continental Airlines Class A Pass Through Certificates, Series 2003-ERJ1, are being offered under this prospectus supplement. The certificates represent interests in a trust to be established in connection with this offering.

The trust will use the proceeds from the sale of certificates to acquire equipment notes. The equipment notes will be issued on a nonrecourse basis by the trustees of separate owner trusts in connection with separate leveraged lease transactions to finance a portion of the purchase price of 36 Embraer EMB-145XR aircraft. Of these aircraft, 34 were previously delivered and leased to Continental Airlines, Inc. during 2003 and two are scheduled for delivery in December 2003. As part of this financing transaction, the aircraft will be leased to Continental. Rental payments under the leases will be used to make payments on the equipment notes. As a result, Continental is registering this offering under the Securities Act of 1933.

Payments on the equipment notes held in the trust will be passed through to the holders of the certificates. To the extent not used to purchase equipment notes upon the issuance of the certificates, the offering proceeds will be held in escrow and used subsequently to purchase equipment notes.

The equipment notes issued for each aircraft will have a security interest in such aircraft. Interest on the equipment notes will be payable semiannually on each January 2 and July 2, beginning on July 2, 2004. Principal payments on the equipment notes are scheduled on January 2 and July 2 in certain years, beginning on July 2, 2004.

Citibank, N.A. will provide a liquidity facility for the certificates 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-18.

Principal Amount	Interest Rate	Final Expected Distribution Date	Price to Public(1)
$414,564,763	7.875%	July 2, 2018	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 $414,564,763. Embraer will pay the underwriters compensation totaling $2,694,671, representing underwriting commission as well as certain structuring fees. Citigroup acted as the structuring agent in connection with this transaction. Delivery of the certificates in book-entry form only will be made on or about December 10, 2003.

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 Book-Running Managers

Citigroup

MORGAN STANLEY

December 3, 2003

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 we have referred 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 Airlines, 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
Aggregate Face Amount	$414,564,763
Ratings:	
Moody s	Ba3
Standard & Poor s	BBB
Initial Loan to Aircraft Value (cumulative)(1)	58.8%
Expected Highest Loan to Aircraft Value (cumulative)(2)	59.7%
Initial Average Life (in years from Issuance Date)	8.1
Regular Distribution Dates	January 2 and July 2
Final Expected Regular Distribution Date	July 2, 2018
Final Maturity Date	January 2, 2020
Minimum Denomination	$1,000
Section 1110 Protection	Yes
Liquidity Facility Coverage	3 semiannual interest payments

(1) This percentage is determined as of January 2, 2004. In calculating this percentage, we have assumed that all Aircraft are financed under this offering prior to such date, that the required principal amount of Equipment Notes is issued and that the aggregate appraised value of the aircraft is $705,143,600 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 .

Equipment Notes and the Aircraft

Set forth below is certain information about the Equipment Notes expected to be held in the Trust and the aircraft expected to secure such Equipment Notes. Each aircraft is an Embraer model EMB-145XR aircraft.

Aircraft Registration Number	Manufacturer s Serial Number	Aircraft Delivery Month(1)	Original Principal Amount of Equipment Notes	Appraised Value(2)
N11119	145677	January 2003	$ 11,198,345	$ 19,420,000
N18120	145681	January 2003	11,252,118	19,420,000
N11121	145683	January 2003	11,190,515	19,420,000
N12122	145684	January 2003	11,190,515	19,420,000
N13123	145688	February 2003	10,974,709	19,490,000
N13124	145689	February 2003	10,982,629	19,490,000
N14125	145690	February 2003	10,975,970	19,490,000
N12126	145693	February 2003	10,975,970	19,490,000
N11127	145697	March 2003	10,946,914	19,560,000
N24128	145700	March 2003	10,946,914	19,560,000
N21129	145703	March 2003	11,158,791	19,560,000
N21130	145704	March 2003	11,158,791	19,560,000
N31131	145705	April 2003	11,214,541	19,630,000
N13132	145708	April 2003	11,214,541	19,630,000
N13133	145712	April 2003	11,248,653	19,630,000
N25134	145714	April 2003	11,248,653	19,630,000
N12135	145718	May 2003	11,192,520	19,760,000
N12136	145719	May 2003	11,807,454	19,760,000
N11137	145721	May 2003	11,684,587	19,760,000
N17138	145727	May 2003	11,636,952	19,760,000
N23139	145731	June 2003	11,484,737	19,830,000
N11140	145732	June 2003	11,423,207	19,830,000
N26141	145733	June 2003	11,484,070	19,830,000
N12142	145735	June 2003	11,484,070	19,830,000
N14143	145739	July 2003	11,889,295	19,900,000
N21144	145741	July 2003	11,889,392	19,900,000
N12145	145745	August 2003	11,996,349	20,030,000
N17146	145746	August 2003	11,996,349	20,030,000
N16147	145749	September 2003	12,046,189	20,100,000
N14148	145751	September 2003	11,988,621	20,100,000
N16149	145753	October 2003	12,031,757	20,170,000
N11150	145756	October 2003	12,090,003	20,170,000
N16151	145758	November 2003	12,150,000	20,250,000
N27152	145759	November 2003	12,110,644	20,250,000
N14153	145761	December 2003	12,150,000	20,250,000
N21154	145772	December 2003	12,150,000	20,250,000

(1) The Aircraft with manufacturer s serial numbers 145761 and 145772 have not been delivered. These Aircraft are expected to be delivered in December 2003 and financed pursuant to this offering thereafter. The other Aircraft were delivered and leased to Continental during 2003. These Aircraft are expected to be financed pursuant to this offering on the date that the Certificates are issued, although the financing for each Aircraft is subject to certain conditions and could be delayed. The deadline for purposes of financing an Aircraft pursuant to this offering is January 31, 2004 (or later under certain circumstances). Continental has the option to substitute other aircraft if the delivery of any Aircraft scheduled for December 2003 is expected to be delayed beyond January 31, 2004. See Description of the Aircraft and the Appraisals Substitute Aircraft .

(2) 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, projected, in the case of the Aircraft with manufacturer s serial numbers 145761 and 145772, as

of the scheduled delivery month of such 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 Appraisals and Realizable Value of Aircraft and Description of the Aircraft and the Appraisals The Appraisals .

Loan to Aircraft Value Ratios

The following table sets forth loan to Aircraft value ratios (LTVs) for the Certificates as of January 2, 2004 and each Regular Distribution Date thereafter. The LTVs for the Certificates for the period prior to January 2, 2004 are not meaningful, since during such period all of the Equipment Notes expected to be acquired by the Trust 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 Appraisals and Realizable Value of Aircraft .

Date	Aggregate Appraised Value(1)	Outstanding Pool Balance(2)	LTV(3)
January 2, 2004	$705,143,600	$414,564,763	58.8%
July 2, 2004	694,435,400	414,360,208	59.7
January 2, 2005	683,778,800	384,847,207	56.3
July 2, 2005	673,070,600	370,641,325	55.1
January 2, 2006	662,414,000	353,027,373	53.3
July 2, 2006	651,705,800	334,709,469	51.4
January 2, 2007	641,049,200	333,222,379	52.0
July 2, 2007	630,341,000	331,675,855	52.6
January 2, 2008	619,684,400	313,427,087	50.6
July 2, 2008	608,976,200	294,448,996	48.4
January 2, 2009	598,319,600	290,430,407	48.5
July 2, 2009	587,611,400	286,251,213	48.7
January 2, 2010	576,954,800	268,474,413	46.5
July 2, 2010	566,246,600	249,987,153	44.1
January 2, 2011	555,590,000	241,959,040	43.5
July 2, 2011	544,881,800	234,085,832	43.0
January 2, 2012	534,225,200	219,195,333	41.0
July 2, 2012	523,517,000	204,238,082	39.0
January 2, 2013	512,860,400	192,661,688	37.6
July 2, 2013	502,152,200	180,313,484	35.9
January 2, 2014	489,156,800	159,385,442	32.6
July 2, 2014	474,879,200	136,888,618	28.8
January 2, 2015	460,670,400	123,985,211	26.9
July 2, 2015	446,392,800	110,566,111	24.8
January 2, 2016	432,184,000	84,044,170	19.4
July 2, 2016	417,906,400	56,462,263	13.5
January 2, 2017	403,697,600	42,368,770	10.5
July 2, 2017	389,420,000	27,712,022	7.1
January 2, 2018	257,242,800	5,413,936	2.1

(1) In calculating the aggregate appraised value of the Aircraft, we have assumed that the appraised value of each Aircraft, determined as described under Equipment Notes and the Aircraft , declines on the Regular Distribution Date closest to the anniversary of its delivery by the manufacturer by approximately 3% per year of the initial appraised value at delivery for the first ten years after the delivery of such Aircraft and by approximately 4% per year thereafter. The aggregate Aircraft value as of any date does not include the value of Aircraft as to which the Equipment Notes secured by such Aircraft are expected to have been paid in full on or prior to such date. Other rates or methods of depreciation would 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 Appraisals and Realizable Value of Aircraft .

(2) In calculating the outstanding balances, we have assumed that the Trust will acquire the Equipment Notes for all Aircraft prior to January 2, 2004.

(3) The LTVs were obtained for each Regular Distribution Date by dividing (i) the expected outstanding balance of the Certificates after giving effect to the distributions expected to be made on such 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 may change if, among other things, the aggregate principal amount of the Equipment Notes acquired by the Trust is less than the maximum permitted under the terms of this offering or the amortization of the Equipment Notes differs from the assumed amortization schedule calculated for purposes of this Prospectus Supplement.

The above table was compiled on an aggregate basis. However, the Equipment Notes for an Aircraft will not have a security interest in any other Aircraft. This means that any excess proceeds realized from the sale of an Aircraft or other exercise of remedies will not be available to cover any shortfalls on the Equipment Notes relating to any other Aircraft. Therefore, upon an Indenture Default, even if the Aircraft as a group could be sold for more than the total amounts payable in respect of all of the outstanding Equipment Notes, if certain Aircraft were sold for less than the total amount payable in respect of the related Equipment Notes, there would not be sufficient proceeds to pay the Certificates in full. See Description of the Equipment Notes Loan to Value Ratios of Equipment Notes for examples of LTVs for the Equipment Notes issued in respect of individual Aircraft, which may be more relevant in a default situation than the aggregate values shown above.

Cash Flow Structure

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

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(1) Each Aircraft will be subject to a separate Lease and a related Indenture. Each Aircraft will be subleased to ExpressJet.

(2) To the extent not used to purchase Equipment Notes upon the issuance of the Certificates, the proceeds of the offering of the Certificates will be held in escrow and deposited with the Depositary. The Depositary will hold such funds as interest-bearing Deposits. The Trust will withdraw funds from the Deposits 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, taken together, will be sufficient to pay accrued interest on the outstanding Certificates. If any funds remain as deposits at the Delivery Period Termination Date, such funds will be withdrawn by the Escrow Agent and distributed to the holders of the Certificates, together with accrued interest thereon. No interest will accrue with respect to the Deposits after they have been fully withdrawn. The Liquidity Facility will not cover interest on the Deposits.

The Offering

Certificates Offered	Class A Certificates, which will represent fractional undivided interests in the Trust.
Use of Proceeds	The proceeds from the sale of the Certificates will be used by the Trustee to purchase Equipment Notes issued by each Owner Trustee to finance a portion of the purchase price of the related Aircraft. To the extent not used to purchase Equipment Notes upon the issuance of the Certificates, the offering proceeds will be held in escrow and deposited with the Depositary. The Trust will withdraw funds from the escrow to purchase Equipment Notes.
Subordination Agent, Trustee, Paying Agent and Loan Trustee	Wilmington Trust Company.
Escrow Agent	Wells Fargo Bank Northwest, National Association.
Depositary	Citibank, N.A.
Liquidity Provider	Citibank, N.A. Continental and Citibank, N.A. intend to seek a replacement liquidity provider to replace Citibank, N.A. on or after the Issuance Date.
Trust Property	The property of the Trust will include: Equipment Notes acquired by the Trust. All monies receivable under the Liquidity Facility. Funds from time to time deposited with the Trustee in accounts relating to the Trust.
Regular Distribution Dates	January 2 and July 2, commencing on July 2, 2004.
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 the Trust to the holders of the Certificates, subject to prior payment of certain amounts then due to the Liquidity Provider or the Trustee. 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 or purchase of such Equipment Notes will be distributed on a special distribution date after not less than 15 days notice to Certificateholders.
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 Trustees (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 Trustee. Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider.
Liquidity Facility	Under the Liquidity Facility, the Liquidity Provider will, if necessary, make advances in an aggregate amount sufficient to pay interest on the Certificates on up to three successive semiannual Regular Distribution Dates at the applicable interest rate for the Certificates. The Liquidity Facility cannot be used to pay any other amount in respect of the Certificates and will not cover interest payable on amounts held in escrow as Deposits with the Depositary. Upon each drawing under the Liquidity Facility to pay interest on the Certificates, the Subordination Agent will reimburse the Liquidity Provider for the amount of such drawing. Such reimbursement obligation and all interest, fees and other amounts owing to the Liquidity Provider under the Liquidity Facility and certain other agreements will rank senior to the Certificates in right of payment.
Escrowed Funds	Funds in escrow for the Certificateholders will be held by the Depositary as Deposits. The Trustee 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 at a rate per annum equal to the interest rate 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 delivery of one or both of the two undelivered Aircraft, failure to satisfy all conditions with respect to each Aircraft financing or other reasons. See Description of the Certificates Obligation to Purchase Equipment Notes . If any funds remain as Deposits after such deadline, the funds held as Deposits will be withdrawn by the Escrow Agent and distributed, with accrued and unpaid interest but without premium, to the Certificateholders after at least 15 days prior written notice. See Description of the Deposit Agreement Unused Deposits .
Obligation to Purchase Equipment Notes	The Trustee 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 leveraged lease financing with respect to each Aircraft pursuant to forms of financing agreements attached to the Note Purchase Agreement. Under the Note Purchase Agreement, the terms of such financing agreements must not vary the Mandatory Economic Terms set forth in the Note Purchase Agreement. The Trustee 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 .

Equipment Notes

(a) Issuer	The Equipment Notes will be issued by a financial institution, acting as Owner Trustee. The Owner Trustee will not be individually liable for such Equipment Notes. However, Continental s scheduled rental obligations under the related Lease will be in amounts sufficient to pay scheduled payments on such Equipment Notes.
(b) Interest	The Equipment Notes held in the Trust will accrue interest at the rate per annum for the Certificates set forth on the cover page of this Prospectus Supplement. Interest will be payable on January 2 and July 2 of each year, commencing July 2, 2004. 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 January 2 and July 2 in certain years, commencing on July 2, 2004.
(d) Redemption and Purchase	*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. *Redemption.* The Owner Trustee with respect to an Aircraft may redeem the Equipment Notes issued by such Owner Trustee prior to maturity under certain circumstances specified in the Indenture. The redemption price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest plus, if such redemption is made prior to January 13, 2012, a Make-Whole Premium. See Description of the Equipment Notes Redemption . *Purchase by Owner.* If, with respect to an Aircraft, a Lease Event of Default is continuing, the applicable Owner Trustee or Owner Participant may elect to purchase all of the Equipment Notes with respect to such Aircraft, subject to the terms of the applicable Indenture. The purchase price in such case will be the unpaid principal amount of such Equipment Notes, together with accrued interest, but without any premium (provided that a Make-Whole Premium will be payable under certain circumstances specified in the Indenture).
(e) Security	The Equipment Notes issued with respect to each Aircraft will be secured by a security interest in such Aircraft and in the related Owner Trustee s rights under the Lease with respect to such Aircraft (with certain limited exceptions). The Equipment Notes issued in respect of an Aircraft will not be secured by any other Aircraft or Leases. This means that any excess proceeds from the sale of an Aircraft or other exercise of remedies with respect to such Aircraft will not be available to cover any shortfall with respect to any other Aircraft. There will not be cross-default provisions in the Indentures or in the Leases. This means that if the Equipment Notes issued with respect to one or more Aircraft are in default and the Equipment Notes issued

	with respect to the remaining Aircraft are not in default, no remedies will be exercisable with respect to the remaining Aircraft.
(f) Section 1110 Protection	Continental s outside counsel will provide its opinion to the Trustee 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 Certificate Owner generally should report on its federal income tax return its pro rata share of income from the Deposits and income from the Equipment Notes and other property held by the 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 such Certificate or (b) the purchase and holding of such Certificate are exempt from the prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 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.

Moody s	Standard & Poor s
Ba3	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 or withdrawn by a Rating Agency.

		Moody s	Standard & Poor s
Rating of the Depositary	Short Term	P-1	A-1+

		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 Threshold Rating requirement.

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 years ended December 31, 2002, 2001 and 2000 are derived from the audited consolidated financial statements of Continental including the notes thereto 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, 1999 and 1998 are derived from the selected financial data contained in Continental s Annual Report on Form 10-K/A-1 for the year ended December 31, 2002, incorporated by reference in this Prospectus Supplement, and the audited consolidated financial statements of Continental for the years ended December 31, 1999 and 1998 and should be read in conjunction therewith. The consolidated financial data of Continental for the three and nine months ended September 30, 2003 and 2002 are derived from the unaudited consolidated financial statements of Continental incorporated by reference in this Prospectus Supplement, which include all adjustments (consisting solely of normal recurring accruals, except as disclosed in the footnotes to the unaudited consolidated financial statements) that Continental considers necessary for the fair presentation of the financial position and results of operations for these periods. Operating results for the three and nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003.

	Three Months Ended September 30,		**Nine Months Ended September 30,**		**Year Ended December 31,**				
	2003	**2002**	**2003**	**2002**	**2002**	**2001**	**2000**	**1999**	**1998**
	(In millions of dollars, except operating data, per share data and ratios)								
Financial Data Operations:(1)(2)									
Operating Revenue	$2,365	$2,178	$6,622	$6,364	$8,402	$8,969	$9,899	$8,639	$7,927
Operating Expenses	2,191	2,132	6,434	6,619	8,714	8,825	9,170	8,024	7,226
Operating Income (Loss)	174	46	188	(255)	(312)	144	729	615	701
Non-operating Income (Expense), net	87	(77)	(82)	(230)	(319)	(274)	(169)	183	(79)
Income (Loss) before Income Taxes, Minority Interest, and Cumulative Effect of Changes in Accounting Principles	261	(31)	106	(485)	(631)	(130)	560	798	622
Net Income (Loss)	$ 133	$ (37)	$ (9)	$ (342)	$ (451)	$ (95)	$ 342	$ 455	$ 383
Earnings (Loss) per Share:									
Basic	$ 2.04	$ (.58)	$ (.14)	$ (5.36)	$ (7.02)	$ (1.72)	$ 5.62	$ 6.54	$ 6.34
Diluted	$ 1.83	$ (.58)	$ (.14)	$ (5.36)	$ (7.02)	$ (1.72)	$ 5.45	$ 6.20	$ 5.02
Shares used for Computation:									
Basic	65.4	64.3	65.4	63.9	64.2	55.5	60.7	69.5	60.3
Diluted	74.6	64.3	65.4	63.9	64.2	55.5	62.8	73.9	80.3
Ratio of Earnings to Fixed Charges(3)	1.83x		1.11x				1.51x	1.80x	1.87x

	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,				
	2003	2002	2003	2002	2002	2001	2000	1999	1998
	(In millions of dollars, except operating data, per share data and ratios)								
Operating Data:									
Mainline Jet Statistics:									
Revenue passengers (thousands)	10,613	10,581	29,978	31,365	41,016	44,238	46,896	45,540	43,625
Revenue passenger miles (millions)(4)	16,436	15,923	44,383	45,441	59,349	61,140	64,161	60,022	53,910
Cargo ton miles (millions)	221	232	679	664	908	917	1,096	1,000	856
Available seat miles (millions)(5)	20,550	21,027	58,794	60,551	80,122	84,485	86,100	81,946	74,727
Passenger load factor(6)	80.0%	75.7%	75.5%	75.0%	74.1%	72.4%	74.5%	73.2%	72.1%
Passenger revenue per available seat mile (cents)	8.94	8.53	8.76	8.70	8.61	8.98	9.84	9.12	9.23
Total revenue per available seat mile (cents)	9.79	9.19	9.64	9.34	9.27	9.58	10.52	9.75	9.85
Operating cost per available seat mile (cents)(7)	9.01	8.90	9.30	9.61	9.53	9.22	9.68	9.07	9.03
Special items per available seat mile (cents)(1)	N/A	N/A	(0.16)	0.41	0.31	(0.36)	N/A	0.09	0.14
Average yield per revenue passenger mile (cents)(8)	11.18	11.26	11.60	11.59	11.63	12.42	13.20	12.45	12.79
Average price per gallon of fuel, excluding fuel taxes (cents)	81.52	72.01	87.80	67.02	69.97	78.24	84.21	46.56	46.83
Average price per gallon of fuel, including fuel taxes (cents)	85.65	75.95	92.01	71.09	74.01	82.48	88.54	50.78	51.20
Fuel gallons consumed (millions)	330	340	943	980	1,296	1,426	1,533	1,536	1,487
Average fare per revenue passenger	$173.16	$169.48	$171.72	$167.98	$168.25	$171.59	$180.66	$164.11	$158.02
Average length of aircraft flight (miles)	1,299	1,244	1,269	1,222	1,225	1,185	1,159	1,114	1,044
Average daily utilization of each aircraft (hours)(9)	9:38	9:37	9:20	9:35	9:28	10:20	10:36	10:26	10:09
Actual aircraft in fleet at end of period(10)	352	366	352	366	366	352	371	363	363
Regional Jet and Turboprop Statistics(11):									

Revenue passenger miles (millions)(4)	1,605	1,037	4,139	2,875	3,952	3,388	2,947	2,149	1,564
Available seat miles (millions)(5)	2,269	1,599	6,109	4,555	6,219	5,437	4,735	3,431	2,641
Passenger load factor(6)	70.8%	64.9%	67.8%	63.1%	63.5%	62.3%	62.2%	62.6%	59.2%
Consolidated Statistics:									
Consolidated passenger load factor	79.1%	75.0%	74.8%	74.2%	73.3%	71.8%	73.9%	72.8%	71.7%
Consolidated breakeven passenger load factor(12)	70.7%	77.9%	74.8%	83.6%	82.5%	73.5%	67.9%	64.0%	63.6%

	September 30, 2003	December 31, 2002
	(In millions of dollars)	
Financial Data Balance Sheet(2):		
Assets:		
Cash, Cash Equivalents and Short-Term Investments	$ 1,613	$ 1,342
Other Current Assets(13)	1,079	936
Total Property and Equipment, net	6,670	6,968
Routes and Airport Operating Rights, net	989	1,009
Other Assets(13)	527	493
Total Assets	$10,878	$10,748
Liabilities and Stockholders Equity:		
Current Liabilities	$ 3,029	$ 2,926
Long-Term Debt and Capital Leases(13)	5,602	5,471
Deferred Credits and Other Long-Term Liabilities	1,509	1,572
Minority Interest	(26)	7
Redeemable Preferred Stock of Subsidiary(14)		5
Stockholders Equity	764	767
Total Liabilities and Stockholders Equity	$10,878	$10,748

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

	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,				
	2003	2002	2003	2002	2002	2001	2000	1999	1998
Operating expense (income):									
Fleet impairment and restructuring charges	$	$	$ 65	$242	$242	$ 61	$	$ 81	$122
Air Transportation Safety and System Stabilization Act grant			(176)	12	12	(417)			
Severance and other special charges			14			63			
Nonoperating expense (income):									
Gain on sale of assets	(173)		(173)				(9)	(326)	
Impairment of investments						22			
Cumulative effect of change in accounting principle, net of taxes								33	

(2) Effective November 12, 2003, Continental no longer consolidates Holdings and ExpressJet. Among the documents incorporated by reference into this Prospectus is a Current Report on Form 8-K filed with the Commission on November 18, 2003 which presents pro forma consolidated financial statements of Continental reflecting (a) the results of operations of Continental for the nine months ended September 30, 2003 and the year ended December 31, 2002, as if the accounts of Holdings had been accounted for using the equity method of accounting set forth in APB Opinion No. 18, The Equity Method of Accounting for Investments in Common Stock , rather than being consolidated, effective as of the beginning of each period, and (b) the balance sheet as of September 30, 2003, adjusted to report Holdings using the equity method of accounting as of that date.

(3) 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 three months ended September 30, 2002, nine months ended September 30, 2002 and the years ended December 31, 2002 and 2001, earnings were inadequate to cover fixed charges and the coverage deficiency was $32 million, $492 million, $640 million and $159 million, respectively.

(4) The number of scheduled miles flown by revenue passengers.

(5) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.

(6) Revenue passenger miles divided by available seat miles.

(7) Includes applicable special items noted in (1).

(8) The average revenue received for each mile a revenue passenger is carried.

(9) The average number of hours per day that an aircraft flown in revenue service is operated (from gate departure to gate arrival).

(10) Excludes aircraft that are either temporarily or permanently removed from service.

(11) These statistics reflect operations of Continental Express (as operated by ExpressJet). Pursuant to a capacity purchase agreement, Continental currently purchases all of ExpressJet s available seat miles for a negotiated price.

(12) The percentage of seats that must be occupied by revenue passengers for us to break even on a net income basis. The special items noted in (1) included in the consolidated breakeven passenger load factor account for (5.9), , (3.7), 4.4, 3.3, (3.0), (0.1), (2.3) and 1.6 percentage points in each of the periods, respectively.

(13) Continental has a subsidiary trust that has Mandatorily Redeemable Preferred Securities outstanding with a liquidation value of $248 million ($241 million net of issuance costs). These securities were issued in November 2000 and were previously reported on Continental s balance sheet as Mandatorily Redeemable Preferred Securities of Subsidiary Trust. Upon the adoption of Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities , the subsidiary trust and the Mandatorily Redeemable Preferred Securities issued by the trust are no longer reported on Continental s balance sheet. Instead, Continental reports the Convertible Junior Subordinated Debentures held by the subsidiary trust, which had previously been eliminated in Continental s consolidated financial statements, as long-term debt. The resulting reclassifications and adjustments to remove the other assets and liabilities of the trust have been reflected for all periods presented.

(14) In connection with an internal reorganization by Holdings, Continental s former subsidiary, a subsidiary of Holdings issued non-voting preferred stock which has a liquidation preference of $5 million, is mandatorily redeemable in 2012, and is callable beginning in 2005. The preferred stock was sold to a non-affiliated third party for a note in the original principal amount of $5 million and was included on our balance sheet as redeemable preferred stock of subsidiary through June 30, 2003. Effective July 1, 2003, Continental adopted Statement of Financial Accounting Standards (SFAS) No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity and reclassified the $5 million redeemable preferred stock to long-term debt. This reclassification is prospective only.

RISK FACTORS

Terrorist Attacks and International Hostilities

The 2001 Terrorist Attacks and the Recent War in Iraq Have Adversely Affected, and Any Additional Terrorist Attacks or Hostilities May Further Adversely Affect, Continental s Financial Condition, Results of Operations and Prospects

As described in greater detail below under The Company Outlook and in Continental s filings with the Commission, the terrorist attacks of September 11, 2001 involving commercial aircraft adversely affected Continental s financial condition, results of operations and prospects, and the airline industry generally. Those effects continue, although they have been mitigated somewhat by increased traffic, money received by Continental under the Air Transportation Safety and System Stabilization Act and the Emergency Wartime Supplemental Appropriations Act, and by Continental s cost-cutting measures. Moreover, additional terrorist attacks, even if not made directly on the airline industry, or the fear of such attacks, could further negatively affect Continental and the airline industry. The recent war in Iraq further decreased demand for air travel, and additional hostilities could potentially have a material adverse impact on Continental s financial condition, liquidity and results of operations.

Among the effects Continental experienced from the September 11, 2001 terrorist attacks were significant flight disruption costs caused by the Federal Aviation Administration (FAA) imposed grounding of the U.S. airline industry s fleet, significantly increased security, insurance and other costs, significantly higher ticket refunds, significantly reduced load factors (defined as revenue passenger miles divided by available seat miles), and significantly reduced yields. Further terrorist attacks against commercial aircraft could result in another grounding of Continental s fleet, and would likely result in significant reductions in load factor and yields, along with increased ticket refunds and security, insurance and other costs. In addition, terrorist attacks not involving commercial aircraft, post-war unrest in Iraq or other world events could result in decreased load factors and yields and could also result in increased costs for Continental and the airline industry. For instance, fuel costs rose significantly during late 2002 and the first quarter of 2003 and remain at historically high levels. Premiums for aviation insurance have increased substantially, and could escalate further, or certain aviation insurance could become unavailable or available only for reduced amounts of coverage that are insufficient to comply with the levels of insurance coverage required by aircraft lenders and lessors or required by applicable government regulations. Additionally, war-risk coverage or other insurance might cease to be available to Continental s vendors, or might be available only at significantly increased premiums or for reduced amounts of coverage, which could adversely impact Continental s operations or costs.

Due in part to the lack of predictability of future traffic, business mix and yields, Continental is currently unable to estimate the long-term impact on it of the events of September 11, 2001 or the impact of any further terrorist attacks or the recent war in Iraq. However, given the magnitude of the unprecedented events of September 11, 2001 and their continuing aftermath, the adverse impact to Continental s financial condition, results of operations, liquidity and prospects may continue to be material, and Continental s financial resources might not be sufficient to absorb it or that of any further terrorist attacks or post-war unrest in Iraq.

Risk Factors Relating to the Company

Continental Continues to Experience Significant Losses

Since September 11, 2001, Continental has incurred significant losses. Continental recorded net losses of $451 million in 2002 and $9 million for the first nine months of 2003, and expects to incur significant losses for the fourth quarter and the full year 2003. Passenger revenue per available seat mile for Continental s mainline jet operations has declined since September 11, 2001. Passenger revenue per available seat mile dropped 4.1% for the year ended December 31, 2002 versus the same period in 2001 and overall passenger revenue declined 7.0% during 2002 compared to 2001. During the first nine months of 2003, the revenue decline has moderated slightly, as passenger revenue per available seat mile increased 0.7% and overall passenger revenue increased 1.9% versus the same period in 2002. Business traffic, Continental s most profitable source of revenue, and yields are down significantly from historical levels, and carriers continue to offer reduced fares to attract passengers, which lowers Continental s passenger revenue and yields and raises Continental s break-even load factor. Continental cannot predict when business traffic or yields will increase. Further, the long-term impact of any changes in fare structures, most importantly in relation to business fares, booking patterns, low-cost competitor growth, increased usage of regional jets, competitor bankruptcies and other changes in industry structure and conduct, cannot be predicted at this time, but could have a material adverse effect on Continental s financial condition, liquidity and results of operations. See The Company Outlook .

In addition, Continental s capacity purchase agreement with ExpressJet provides that Continental purchase, in advance, all of ExpressJet s available seat miles for a negotiated price, and Continental is at risk for reselling the available seat miles at market prices. Continental previously announced its intention to sell or otherwise dispose of its remaining interests in ExpressJet. During the third quarter of 2003, Continental sold approximately 9.8 million shares of Holdings common stock to Holdings, reducing Continental s ownership of Holdings from 53.1% to 44.6%. Continental also contributed approximately 7.4 million shares of Holdings common stock to its defined benefit pension plan further reducing its ownership of Holdings to 30.9% as of September 30, 2003. The independent trustee for Continental s defined benefit pension plan subsequently sold a portion of the shares of Holdings that Continental contributed to the plan. As a result of such sales by the defined benefit pension plan, the combined amount of Holdings common stock owned by Continental and its defined benefit pension plan fell below 41% on November 12, 2003, the point at which Continental will no longer consolidate Holdings and ExpressJet. Accordingly, Continental has deconsolidated Holdings and ExpressJet as of November 12, 2003. The primary effects of the deconsolidation of Holdings and ExpressJet from Continental s financial statements are a decrease in current assets, primarily due to the elimination of Holdings cash, a decrease in total assets, a decrease in long-term debt and a decrease in operating income as a result of the exclusion of Holdings operating income from Continental s statement of operations. The decrease in operating income is offset by increases in income from Continental s equity in Holdings earnings. Among the documents incorporated by reference into this Prospectus is a Current Report on Form 8-K filed with the Commission on November 18, 2003, which presents pro forma consolidated financial statements of Continental reflecting (1) the results of operations of Continental for the nine months ended September 30, 2003 and the year ended December 31, 2002, as if the accounts of Holdings had been accounted for using the equity method of accounting set forth in APB Opinion No. 18, The Equity Method of Accounting for Investments in Common Stock , rather than being consolidated, effective as of the beginning of each period, and (2) the balance sheet as of September 30, 2003, adjusted to report Holdings using the equity method of accounting as of that date.

Continental s High Leverage May Affect its Ability to Satisfy its Significant Financing Needs or Meet its Obligations

As is the case with its principal competitors, Continental has a high proportion of debt compared to its equity capital. Continental also has significant operating lease and facility rental obligations, as well as significant future funding requirements for a noncontributory defined benefit plan. During 2002, the amount of Continental s long-term debt increased 24%. In addition, Continental has fewer cash resources than some of its principal competitors and substantially all of Continental s property and equipment is subject to liens securing indebtedness. Accordingly, Continental may be less able than some of its competitors to withstand a prolonged recession in the airline industry or respond as well to changing economic and competitive conditions. Moreover, competitors emerging from bankruptcy will likely have lower cost structures and greater operating flexibility after reorganizing their companies in bankruptcy.

As of September 30, 2003, Continental had approximately:

$6.1 billion (including current maturities) of long-term debt and capital lease obligations.

$764 million of stockholders equity.

$1.6 billion in consolidated cash, cash equivalents and short-term investments, of which $139 million is restricted cash and $171 million is cash held by Holdings to which Continental did not have access. Effective November 12, 2003, Continental no longer consolidates Holdings and ExpressJet.

Continental has substantial commitments for capital expenditures, including for the acquisition of new aircraft. As of September 30, 2003, Continental had firm purchase commitments for 67 aircraft from Boeing, with an estimated cost of approximately $2.6 billion and options to purchase an additional 87 Boeing aircraft. During the second quarter of 2003, Continental agreed to defer firm deliveries of 36 Boeing 737 aircraft that were originally scheduled for delivery in 2005, 2006 and 2007. These aircraft will now be delivered in 2008 and beyond. Additionally, Continental reached an agreement with Boeing regarding the terms of delivery of the 11 Boeing 757-300 aircraft that Continental had on order as of September 30, 2003. Continental now expects to take delivery of five 757-300 aircraft in 2004. The final six 757-300 aircraft originally scheduled for delivery in late 2004 and the first half of 2005 have been substituted with six 737-800 aircraft expected to be delivered in the second half of 2005. Furthermore, the 757-300 option count has been reduced from 11 to zero. As a result, Continental expects to take delivery of a total of four Boeing aircraft in the fourth quarter of 2003, 16 Boeing aircraft in 2004 (including the five 757-300 aircraft) and seven Boeing aircraft in 2005. Incorporating these changes to the Boeing order and excluding the two 737-800 aircraft delivered in October and November 2003, Continental has firm purchase commitments for 65 Boeing aircraft with an estimated cost of approximately $2.5 billion and options to purchase an additional 84 Boeing aircraft.

Continental currently has agreements in principle for the financing of the two remaining 737-800 aircraft scheduled for delivery in the fourth quarter of 2003, six of the eleven 737-800 aircraft scheduled for delivery in 2004 and all five of the 757-300 aircraft scheduled for delivery in 2004. Continental does not have backstop financing or any other financing currently in place for the remainder of the aircraft. In addition, at September 30, 2003, Continental had firm commitments to purchase eight spare engines related to the new Boeing aircraft for approximately $53 million. Continental has financing in place for the first three of these spare engines, which are scheduled for delivery between October and December 2003. Continental does not have any financing currently in place for the remaining five spare engines, which are scheduled to be delivered in 2004 and the first quarter of 2005. Further financing will be needed to satisfy Continental s capital commitments for its firm aircraft. There can be no assurance that sufficient financing will be available for the aircraft on order or other related capital expenditures.

As of September 30, 2003, ExpressJet had firm commitments for an additional 56 regional jets from Embraer Empresa Brasileira de Aeronautica S.A. (Embraer) delivering through 2006, with an estimated aggregate cost of $1.1 billion. ExpressJet does not have any obligation to take any of these firm aircraft that are not financed by a third party and leased either to ExpressJet or Continental. Under the capacity purchase agreement between Continental and ExpressJet, Continental has agreed to lease as lessee and sublease to ExpressJet the regional jets that are subject to ExpressJet s firm purchase commitments. In addition, under the capacity purchase agreement with ExpressJet, Continental generally is obligated to purchase all of the capacity provided by these new aircraft as they deliver to ExpressJet. Continental cannot predict whether passenger traffic levels will enable it to utilize fully regional jets delivering to ExpressJet in the future.

Continental also has significant operating lease and facility rental obligations, as well as significant future funding requirements for its noncontributory defined benefit plan. For the year ended December 31, 2002, annual aircraft and facility rental expense under operating leases approximated $1.3 billion. Continental has a noncontributory defined benefit plan covering substantially all of Continental s employees. Continental contributed $272 million in cash to the plan in 2003 and approximately 7.4 million shares of Holdings common stock valued at approximately $100 million to the plan on September 9, 2003. As a result, Continental has satisfied all minimum required contributions to the plan during 2003. Although Continental s 2004 minimum funding requirements are not expected to be material, Continental currently expects to make significant contributions to the plan in 2004 and thereafter.

Additional financing will be needed to satisfy Continental s capital commitments. Continental cannot predict whether sufficient financing will be available. On several occasions subsequent to September 11, 2001, including March and April 2003, each of Moody s, Standard & Poor s and Fitch, Inc. downgraded the credit ratings of a number of major airlines, including Continental s credit ratings, and further downgrades are possible. Reductions in Continental s credit ratings have increased the interest Continental pays on new issuances of debt and may increase the cost of and reduce the financing available to Continental in the future. Continental does not have debt obligations that would be accelerated as a result of a credit rating downgrade.

Significant Changes or Extended Periods of High Fuel Costs or Fuel Supply Disruptions Would Materially Affect Continental s Operating Results

Fuel costs, which are at historically high levels, constitute a significant portion of Continental s operating expense. Fuel costs represented approximately 11.7% of Continental s operating expenses for the year ended December 31, 2002 and 13.9% of Continental s operating expenses for the year ended December 31, 2001. Fuel costs represented approximately 15.0% of Continental s operating expenses for the nine months ended September 30, 2003, compared to 11.1% for the same period in 2002. Fuel prices and supplies are influenced significantly by international political and economic circumstances, such as the political crises in Venezuela and Nigeria and post-war unrest in Iraq. From time to time Continental enters into petroleum swap contracts, petroleum call option contracts and/or jet fuel purchase commitments to provide some short-term protection (generally three to six months) against a sharp increase in jet fuel prices. Depending upon the hedging method employed, Continental s strategy may limit its ability to benefit from declines in fuel prices. Continental has hedged approximately 60% of its fuel requirements for the remainder of the year with petroleum call options. If a future fuel supply shortage were to arise from OPEC production curtailments, a disruption of oil imports, post-war unrest in Iraq, other conflicts in the Middle East, or otherwise, higher fuel prices or reduction of scheduled airline service could result. Significant changes in fuel costs would materially affect Continental s operating results.

Labor Costs Impact Continental s Results of Operations

Labor costs constitute a significant percentage of Continental s total operating costs. Many of Continental s work groups are represented by unions. Continental s mechanics, represented by the International Brotherhood of Teamsters, ratified a new four-year collective bargaining agreement in December 2002. The mechanics agreement makes an adjustment to current pay and recognizes current industry conditions. This agreement becomes amendable with respect to wages, pension and health insurance provisions on December 31, 2003. Work rules and other contract items are established through 2006. Collective bargaining agreements between Continental and its pilots and between ExpressJet and its pilots (both of whom are represented by the Air Line Pilots Association) became amendable in October 2002. After being deferred due to the economic uncertainty following the September 11, 2001 terrorist attacks, negotiations recommenced in September 2002 and are continuing. Although Continental may incur increased labor costs in connection with the negotiation of these collective bargaining agreements, the labor cost uncertainty associated with recent major hub-and-spoke carrier bankruptcies makes predicting the outcome of negotiations more difficult. US Airways Group, Inc. (US Airways) and United Air Lines, Inc. (United) have significantly decreased their labor costs during their bankruptcy cases. Earlier this year, American Airlines, Inc. (American Airlines) agreed with its major labor groups on significant labor cost reductions. Delta and Northwest Airlines have each announced that they are seeking to decrease their labor costs significantly. Although Continental enjoys generally good relations with its employees, there can be no assurance that Continental will not experience labor disruptions in the future.

Risk Factors Relating to the Airline Industry

The Airline Industry is Highly Competitive

The airline industry is highly competitive and susceptible to price discounting. Carriers use discount fares to stimulate traffic during periods of slack demand, to generate cash flow and to increase market share. Some of Continental s competitors have substantially greater financial resources or lower cost structures than Continental, or both. In recent years, the market share held by low cost carriers has increased significantly and is expected to continue to increase.

Airline profit levels are highly sensitive to changes in fuel costs, fare levels and passenger demand. Passenger demand and fare levels are influenced by, among other things, the state of the global economy, domestic and international events, airline capacity and pricing actions taken by carriers. The weak U.S. economy, turbulent international events and extensive price discounting by carriers contributed to unprecedented losses for U.S. airlines from 1990 to 1993. Since September 11, 2001, these same factors, together with the effects of the terrorist attacks and the war in Iraq, have resulted in dramatic losses for Continental and the airline industry generally. Continental cannot predict when conditions will improve. US Airways, United and several small competitors have filed for bankruptcy protection, although US Airways emerged from bankruptcy on March 31, 2003. Other carriers could follow. These carriers could operate under bankruptcy protection in a manner that would be adverse to Continental, and could emerge from bankruptcy as more vigorous competitors with substantially lower costs.

In recent years, the major U.S. airlines have sought to form marketing alliances with other U.S. and foreign air carriers. Such alliances generally provide for codesharing, frequent flyer reciprocity, coordinated scheduling of flights of each alliance member to permit convenient connections and other joint marketing activities. Such arrangements permit an airline to market flights operated by other alliance members as its own. This increases the destinations, connections and frequencies offered by the airline, which provide an opportunity to increase traffic on its segment of flights connecting with its alliance partners. Continental s alliance with Northwest Airlines and its new alliance with Delta and Northwest Airlines are examples of such arrangements, and Continental has existing alliances with numerous other air carriers. (See The Company Domestic Operations .) Other major U.S. airlines have alliances or planned alliances more extensive than Continental s, providing them with route systems of relatively greater utility to customers than Continental s more limited route system. Continental cannot predict the extent to which it will be disadvantaged by competing alliances.

Since its deregulation in 1978, the U.S. airline industry has undergone substantial consolidation, and it may in the future experience additional consolidation. Continental routinely monitors changes in the competitive landscape and engages in analysis and discussions regarding its strategic position, including alliances and business combination transactions. Continental has had, and expects to continue to have, discussions with third parties regarding strategic alternatives. The impact of any consolidation within the U.S. airline industry cannot be predicted at this time.

The Aviation Security Act Will Impose Additional Costs and May Cause Severe Disruptions

In November 2001, the President signed into law the Aviation and Transportation Security Act (the Aviation Security Act). This law federalized substantially all aspects of civil aviation security, creating a new Transportation Security Administration under the Department of Transportation (the TSA). Among other things, the law required that all checked baggage be screened by explosive detection systems by December 31, 2002 (although during the implementation phase, other permitted methods of screening are being utilized and federal law permits individual airports to request extensions of such deadline). At some airports, the TSA has provided for temporary security measures. Implementation of the requirements of the Aviation Security Act has resulted in increased costs for the airline industry and may result in additional costs, delays and disruptions in air travel. However, pursuant to the Emergency Wartime Supplemental Appropriations Act, some of these costs have been reimbursed by the U.S. government. In May 2003, Continental received and recognized in earnings $176 million in cash from the U.S. government pursuant to the Emergency Wartime Supplemental Appropriations Act. This amount is reimbursement for Continental s proportional share of passenger security and air carrier security fees paid or collected by U.S. carriers as of the date of enactment of the legislation, together with other items. See The Company Outlook .

Continental s Business is Subject to Extensive Government Regulation

As evidenced by the enactment of the Aviation Security Act, airlines are subject to extensive regulatory and legal compliance requirements that result in significant costs. Additional laws, regulations, taxes and airport rates and charges have been proposed from time to time that could significantly increase the cost of airline operations or reduce revenue. The FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures. 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, commuter aircraft safety and increased inspections and maintenance procedures to be conducted on older aircraft. Continental expects to continue incurring expenses to comply with the FAA s regulations.

Additionally, because of significantly higher security and other costs incurred by airports since September 11, 2001, and because reduced landing weights since September 11, 2001 have reduced the fees airlines pay to airports, many airports are significantly increasing their rates and charges to air carriers, including to Continental. Restrictions on the ownership and transfer of airline routes and takeoff and landing slots have also been proposed. 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. Continental cannot provide assurance that current laws and regulations, or laws or regulations enacted in the future, will not adversely affect it.

Continental s Operations Are Affected by the Seasonality 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. Continental s results of operations generally reflect this seasonality.

Risk Factors Relating to the Certificates and the Offering

Appraisals and Realizable Value of Aircraft

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 Aircraft scheduled for delivery in December 2003, are estimates of values as of such 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, we cannot assure you that the proceeds realized upon any such exercise of remedies would be sufficient to satisfy in full payments due on the Certificates.

Control over Collateral; Sale of Collateral

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 Trustee.

Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider.

During the continuation of any Indenture Default, the Controlling Party may direct the acceleration and sale of the Equipment Notes issued under such Indenture. 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 the Controlling Party directs the sale of any Equipment Notes for less than their outstanding principal amount, Certificateholders will receive a smaller amount of principal distributions than anticipated and will not have any claim for the shortfall against Continental, any Owner Trustee, any Owner Participant or the Trustee.

Ratings of the Certificates

It is a condition to the issuance of the Certificates that they be rated not lower than Ba3 by Moody s and BBB by Standard & Poor s. 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. A rating may not remain for any given period of time and may be lowered 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 Facility for the benefit of holders of the Certificates and the collateral value provided by the Aircraft relating to the Equipment Notes. Standard & Poor s has indicated that its rating applies to a unit consisting of Certificates representing the Trust Property and Escrow Receipts initially representing undivided interests in certain rights to $24,300,000 (plus any amounts not used to purchase Equipment Notes with respect to previously delivered Aircraft on the Issuance Date) of Deposits. Amounts deposited under the Escrow Agreement are not property of Continental and are not 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.

Return of Escrowed Funds

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 Agreement Unused Deposits . If any funds remain as Deposits after such deadline, they will be withdrawn by the Escrow Agent and distributed, with accrued and unpaid interest but without any premium, to the Certificateholders.

Limited Ability to Resell the Certificates

Prior to this offering, there has been no public market for the Certificates. Neither Continental nor the 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 Aircraft are currently leased to Continental pursuant to interim financing arrangements (except for the Aircraft with manufacturer s serial numbers 145761 and 145772, which are expected to be newly delivered in December 2003). The proceeds from the sale of the Certificates being offered hereby will be used by the Trustee to purchase Equipment Notes during the Delivery Period issued by each Owner Trustee to finance a portion of the purchase price of its Aircraft. The proceeds of the Equipment Notes will be distributed by the Owner Trustee to its Owner Participant, which is an affiliate of Embraer. To the extent not used to purchase Equipment Notes upon the issuance of the Certificates, the proceeds from the sale of the Certificates will be deposited with the Depositary on behalf of the Escrow Agent for the benefit of the Certificateholders.

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 fifth largest United States airline (as measured by the number of scheduled miles flown by revenue passengers, known as revenue passenger miles, in 2002) and, together with ExpressJet Airlines, Inc. (operating as Continental Express and referred to in this Prospectus Supplement as ExpressJet) and Continental s wholly owned subsidiary, Continental Micronesia, Inc. (CMI), served 222 airports worldwide at September 30, 2003. As of September 30, 2003, Continental flew to 125 domestic and 97 international destinations and offered additional connecting service through alliances with domestic and foreign carriers. Continental directly served 16 European cities, seven South American cities, Tel Aviv, Hong Kong and Tokyo as of September 30, 2003, and is one of the leading airlines providing service to Mexico and Central America, serving 29 cities, more destinations than any other United States airline. Through its Guam hub, CMI provides extensive service in the western Pacific, including service to more Japanese cities than any other United States carrier. The Company s executive offices are located at 1600 Smith Street, Houston, Texas 77002. The Company s telephone number is (713) 324-2950.

Domestic Operations

Continental operates its domestic route system primarily through its hubs in the New York metropolitan area at Newark Liberty International Airport (Liberty International or Newark), in Houston, Texas at George Bush Intercontinental Airport (Bush Intercontinental or Houston) and in Cleveland, Ohio at Hopkins International Airport (Hopkins International). Continental s hub system allows it to transport passengers between a large number of destinations with substantially more frequent service than if each route were served directly. The hub system also allows Continental to add service to a new destination from a large number of cities using only one or a limited number of aircraft. As of September 30, 2003, Continental and ExpressJet operated 65% of the average daily jet departures from Liberty International, 83% of the average daily jet departures from Bush Intercontinental, and 65% of the average daily jet departures from Hopkins International (in each case including regional jets). Each of Continental s domestic hubs is located in a large business and population center, contributing to a high volume of origin and destination traffic.

ExpressJet

Continental s mainline jet service at each of its domestic hub cities is coordinated with ExpressJet, which operates new-generation regional jets. In April 2002, ExpressJet Holdings, Inc. (Holdings), Continental s then wholly owned subsidiary and the sole stockholder of ExpressJet, sold 10 million shares of its common stock in an initial public offering and used the net proceeds to repay $147 million of ExpressJet s indebtedness to Continental. In addition, Continental sold 20 million of its shares of Holdings common stock in the offering for net proceeds of $300 million. At Continental s request, Holdings filed a shelf registration statement with the Commission on May 1, 2003 relating to the remaining shares of Holdings common stock held by Continental to enable Continental to sell such common stock free of certain restrictions under the Securities Act. During the quarter ended September 30, 2003, Holdings repurchased approximately 9.8 million shares of its common stock from Continental, reducing Continental s ownership of Holdings to 44.6%. On September 9, 2003, Continental contributed approximately 7.4 million shares of Holdings common stock to its defined benefit pension plan, further reducing Continental s ownership of Holdings to 30.9% as of September 30, 2003. At November 12, 2003, the independent trustee of the defined benefit pension plan sold a sufficient number of shares of Holdings so that Continental no longer consolidates Holdings, effective as of that date. Continental does not currently intend to remain a stockholder of Holdings over the long term. Subject to market conditions, Continental expects to sell or otherwise dispose of some or all of its shares of Holdings common stock in the future.

Effective January 1, 2001, Continental entered into a capacity purchase agreement with ExpressJet pursuant to which Continental currently purchases all of ExpressJet s available seat miles for a negotiated price. Under the agreement, ExpressJet has the right through December 31, 2006 to be Continental s sole provider of regional jet service from Continental s hubs. Continental is responsible for all scheduling, pricing and seat inventories of ExpressJet s flights and is entitled to all revenue associated with those flights. Continental pays ExpressJet based on scheduled block hours (the hours from departure gate to arrival gate) in accordance with a formula designed to provide ExpressJet with an operating margin of approximately 10% before taking into account variations in some costs and expenses that are generally controllable by ExpressJet. ExpressJet s overall operating margin was 13.6% in 2002. Continental assumes the risk of revenue volatility associated with fares and passenger traffic, price volatility for specified expense items such as fuel and the cost of all distribution and revenue-related costs. The capacity purchase agreement replaced Continental s prior revenue-sharing arrangement.

As of September 30, 2003, ExpressJet served 102 destinations in the U.S., 16 cities in Mexico and 5 cities in Canada. Since December 2002, ExpressJet s fleet has been comprised entirely of regional jets. Continental believes ExpressJet s regional jet service complements Continental s operations by carrying traffic that connects onto Continental s mainline jets and allowing more frequent flights to smaller cities than could be provided economically with larger jet aircraft. Continental believes that ExpressJet s regional jets provide greater comfort and enjoy better customer acceptance than turboprop aircraft. The regional jets also allow ExpressJet to serve certain routes that cannot be served by turboprop aircraft. Additional commuter feed traffic is currently provided to Continental by other codesharing partners.

Domestic Carrier Alliances

Continental has entered into alliance agreements, which are also referred to as codeshare agreements or cooperative marketing agreements, with other carriers. These relationships may include (a) codesharing (one carrier placing its name and flight number, or code , on flights operated by the other carrier) and (b) reciprocal frequent flyer program participation, reciprocal airport lounge access and other joint activities (such as seamless check-in at airports). Some relationships may include other cooperative undertakings such as joint purchasing, joint corporate sale contracts, airport handling, facilities sharing or joint technology development.

Continental has a long-term global alliance with Northwest Airlines, Inc. (Northwest Airlines) through 2025, subject to earlier termination by either carrier in the event of certain changes in control of either Northwest Airlines or Continental. The alliance with Northwest Airlines provides for each carrier placing its code on a large number of the flights of the other, reciprocity of frequent flyer programs and airport lounge access, and other joint marketing activities. Northwest Airlines and Continental also have joint contracts with major corporations and travel agents designed to create access to a broader product line encompassing the route systems of both carriers.

In response to the dramatic changes occurring in the airline industry, including a marketing alliance between United and US Airways, Continental signed a marketing agreement with Northwest Airlines and Delta Air Lines, Inc. (Delta) in August 2002 to permit it to compete more effectively with other carriers and alliance groups. As with the alliance with Northwest Airlines, this alliance involves codesharing, reciprocal frequent flyer benefits and reciprocal airport lounge privileges. Implementation of this marketing alliance began in June 2003.

Continental also has domestic codesharing agreements with Gulfstream International Airlines, Inc., Mesaba Aviation, Inc., Hawaiian Airlines, Inc., Alaska Airlines, Inc., Horizon Airlines, Inc., Champlain Enterprises, Inc. (CommutAir), Hyannis Air Service, Inc. (Cape Air), SkyWest Airlines, Inc. and American Eagle Airlines, Inc. In 2002, Continental introduced the first train-to-plane alliance in the United States with Amtrak.

International Operations

Continental directly serves destinations throughout Europe, Canada, Mexico, Central and South America and the Caribbean as well as Tel Aviv, Hong Kong and Tokyo. Continental also provides service to numerous other destinations through codesharing arrangements with other carriers and has extensive operations in the western Pacific conducted by CMI. As measured by 2002 available seat miles, approximately 39% of Continental s mainline jet operations, including CMI, were dedicated to international traffic.

Continental s New York/Newark hub is a significant international gateway. From Liberty International, at September 30, 2003 Continental and ExpressJet served 16 European cities, five Canadian cities, two Mexican cities, six Central American cities, four South American cities, 13 Caribbean destinations, Tel Aviv, Hong Kong and Tokyo.

Continental s Houston hub is the focus of its operations in Mexico and Central America. As of September 30, 2003, Continental and ExpressJet flew from Bush Intercontinental to 21 cities in Mexico, every country in Central America, six cities in South America, four cities in Canada, three cities in Europe, three Caribbean destinations and Tokyo.

From Continental s Cleveland hub, Continental and ExpressJet flew to Montreal, Toronto and London as of September 30, 2003.

Continental Micronesia

From its hub operations based on the island of Guam, as of September 30, 2003, CMI provided service to eight cities in Japan, more than any other United States carrier, as well as other Pacific Rim destinations, including Taiwan, the Philippines, Hong Kong, Australia and Indonesia.

CMI is the principal air carrier in the Micronesian Islands, where it pioneered scheduled air service in 1968. CMI s route system is linked to the United States market through Hong Kong, Tokyo and Honolulu, each of which CMI serves non-stop from Guam. CMI and Continental also maintain a codesharing agreement and coordinate schedules on certain flights from the United States to Honolulu, and from Honolulu to Guam, to facilitate travel from the United States into CMI s route system.

Foreign Carrier Alliances

Continental seeks to develop international alliance relationships that complement Continental s own route system and permit expanded service through its hubs to major international destinations. International alliances assist Continental in the development of its route structure by enabling Continental to offer more frequencies in a market, provide passengers connecting service from Continental s international flights to other destinations beyond an alliance partner s hub, and expand the product line that Continental may offer in a foreign destination.

In October 2001, Continental announced that it had signed a cooperative marketing agreement with KLM Royal Dutch Airlines (KLM) that includes extensive codesharing and reciprocal frequent flyer program participation and airport lounge access. As of October 2003, Continental places its code on selected flights operated by KLM and KLM Cityhopper from Amsterdam to more than 70 destinations in Europe, Africa and the Middle East, and KLM placed its code on selected flights to U.S. destinations operated by Continental beyond its New York and Houston hubs. In addition, members of each carrier s frequent flyer program are able to earn mileage anywhere on the other s global route network, as well as the global network of Northwest Airlines. The cooperative agreement was extended in June 2003 and currently terminates in 2010.

Continental also currently has international codesharing agreements with Air Europa, EVA Airways Corporation (an airline based in Taiwan), British European, Virgin Atlantic Airways, Emirates (based in Dubai, U.A.E.) and Compania Panamena de Aviacion, S.A. (Copa). Continental owns 49% of the common equity of Copa. In February 2003, Continental launched an air/rail codeshare agreement with the French high speed rail provider SNCF TGV. In May 2003, Continental announced a new codesharing agreement with TAP Air Portugal, which will begin in the first quarter of 2004, subject to government approval.

Outlook

Despite recent improvements, the current U.S. domestic airline environment continues to be one of the worst in Continental s history. Prior to September 2001, Continental was profitable, although many U.S. air carriers were losing money and Continental s profitability was declining. The terrorist attacks of September 11, 2001 and the war in Iraq dramatically worsened the difficult financial environment and presented new and greater challenges for the airline industry. Since the terrorist attacks, several airlines, including United and US Airways, have filed for bankruptcy, although US Airways emerged from bankruptcy on March 31, 2003. Other airlines may file for bankruptcy protection as well. Although Continental has been able to raise capital, downsize its operations and reduce its expenses significantly, Continental has reported significant losses since the terrorist attacks, and current trends in the airline industry make it likely that Continental will continue to post significant losses for the foreseeable future. The revenue environment continues to be weak in light of changing pricing models, excess capacity in the market, reduced corporate travel spending and other issues. In addition, in late 2002 and early 2003, fuel prices significantly escalated due to the war in Iraq and political tensions in Venezuela and Nigeria, and fuel prices remain at historically high levels. Absent adverse factors outside Continental s control such as those described herein, Continental believes that its liquidity and access to cash will be sufficient to fund its current operations through 2004 (and beyond if Continental is successful in implementing its previously announced revenue-generating and cost cutting measures). However, Continental believes that the economic environment must improve for Continental to continue to operate at its current size and expense level beyond that time. Continental may find it necessary to further downsize its operations, ground additional aircraft and further reduce its expenses. Continental anticipates that its previously announced capacity and cost reductions, together with the capacity reductions announced by other carriers and capacity reductions that could come from restructurings within the industry, should result in a better financial environment by the end of 2003, absent adverse factors outside Continental s control such as a further economic recession, additional terrorist attacks, post-war unrest in Iraq or conflicts elsewhere in the world, a significant spread of Severe Acute Respiratory Syndrome, or SARS , decreased consumer demand or sustained high fuel prices. However, based on current information and trends, Continental expects to incur significant losses for the fourth quarter and full year 2003.

Due in part to the lack of predictability of future traffic, business mix and yields, Continental is currently unable to estimate the long-term effect on it of the events of September 11, 2001, or the impact of any further terrorist attacks or the recent war in Iraq. However, given the magnitude of the unprecedented events of September 11, 2001 and their continuing aftermath, the adverse impact to Continental s financial condition, results of operations, liquidity and prospects may continue to be material, and Continental s financial resources might not be sufficient to absorb it or that of any further terrorist attacks or another military action elsewhere in the world.

Among the many factors that threaten Continental and the airline industry generally are the following:

A weak global and domestic economy has significantly decreased Continental s revenue. Business traffic, Continental s most profitable source of revenue, and yields are down significantly, as well as leisure traffic and yields. Several of Continental s competitors are significantly changing all or a portion of their pricing structures in a manner that is revenue dilutive to Continental. Although Continental has been successful in decreasing its unit cost as its unit revenue has declined, Continental expects to incur significant losses for the fourth quarter and full year 2003. Continental currently expects its consolidated balance of cash, cash equivalents and short-term investments at the end of the fourth quarter of 2003 to be $1.4 billion, which excludes cash held by Holdings.

Continental believes that reduced demand persists not only because of the weak economy, but also because of some customers concerns about further terrorist attacks and reprisals. The war in Iraq significantly reduced Continental s bookings and lowered passenger traffic. In addition, the spread of SARS in China and elsewhere caused a further decline in passenger traffic earlier this year, particularly to Hong Kong and certain other cities in Asia that Continental serves. Both of these events disproportionately affected Continental s international passenger traffic. Continental responded to the actual and anticipated reduction in demand by temporarily reducing capacity on certain trans-Atlantic and trans-Pacific routes and by reducing its summer schedule. Continental believes that demand is further weakened by customer dissatisfaction with the hassles and delays of heightened airport security and screening procedures.

Fuel costs rose significantly in late 2002 and early 2003 and remain at historically high levels. Post-war unrest in Iraq, other conflicts in the Middle East, political events in Venezuela or Nigeria, or significant events in other oil-producing nations could cause fuel prices to increase further and may impact the availability of fuel. Based on gallons consumed in 2002 and anticipated consumption in 2003, for every one dollar increase in the price of crude oil, Continental s annual fuel expense would be approximately $40 million higher.

The terrorist attacks of 2001 have caused security costs to increase significantly, many of which have been passed on to airlines. Security costs are likely to continue rising for the foreseeable future. In the current environment of lower consumer demand and discounted pricing, these costs cannot effectively be passed on to customers. Insurance costs have also risen sharply, in part due to greater perceived risks and in part due to the reduced availability of insurance coverage. Continental must absorb these additional expenses in the current pricing environment. Under the Emergency Wartime Supplemental Appropriations Act, Continental and other U.S. carriers have been reimbursed for certain security fees paid or collected by such carriers and for other security related costs. Consequently, in May 2003 Continental and ExpressJet received a reimbursement of $176 million for security fees paid or collected since February 2002.

Although Continental reduced some of its costs during the last year and continues to implement cost-cutting measures, its costs cannot be decreased as quickly as its revenue has declined. In addition, as is the case with many of its competitors, Continental is highly leveraged, and has few assets that remain unpledged to support any new debt. Combined with reduced access to the capital markets, themselves already weakened by the state of the economy, there is the potential for insufficient liquidity if current conditions continue unabated for a sufficiently long period of time. As of September 30, 2003, Continental had $1.6 billion in consolidated cash, cash equivalents and short-term investments. Cash and cash equivalents at September 30, 2003 included $139 million of restricted cash and $171 million of cash held by Holdings (to which Continental does not have access). The remaining 30.9% of Holdings common stock that Continental continues to own is not pledged to creditors. Continental intends to sell or otherwise dispose of some or all of its interest in Holdings, subject to market conditions.

The nature of the airline industry is changing dramatically as business travelers change their spending patterns and low-cost carriers continue to gain market share. Continental has announced and is implementing plans to modify its product for the large segment of its customers who are not willing to pay for a premium product, to reduce costs and to generate additional revenue. Other carriers have announced similar plans to create lower-cost products, or to offer separate low cost products (such as a low cost airline within an airline). In addition, carriers emerging from bankruptcy will have significantly reduced cost structures and operational flexibility that will allow them to compete more effectively.

Current conditions may cause consolidation of the airline industry, domestically and globally. The extremity of current conditions could result in a reduction of some of the regulatory hurdles that historically have limited consolidation. Depending on the nature of the consolidation, Continental could benefit from it or be harmed by it. Continental continues to monitor developments throughout the industry and has entered into a marketing alliance with Northwest Airlines and Delta to permit Continental to compete more effectively with other carriers and alliance groups.

Continental has a noncontributory defined benefit plan covering substantially all of Continental s employees. Continental contributed to the plan $272 million in cash in 2003 and approximately 7.4 million shares of Holdings common stock valued at approximately $100 million on September 9, 2003. As a result, Continental has satisfied all minimum required contributions to the plan during 2003. Although Continental s 2004 minimum funding requirements are not expected to be material, Continental currently expects to make significant contributions to the plan in 2004 and thereafter.

Under the most restrictive provisions of a credit facility agreement with an outstanding balance of $71 million at September 30, 2003, Continental is required to maintain a minimum unrestricted cash balance of $600 million. Also, under a separate credit facility agreement with an outstanding balance of $25 million at September 30, 2003 Continental is required to maintain a 1 to 1 ratio of EBITDAR (earnings before interest, income taxes, depreciation and aircraft rentals) to fixed charges, which consist of interest expense, aircraft rental expense, cash income taxes and cash dividends, for the previous four quarters. Continental believes that it will be able to meet both of these covenants for the remainder of 2003.

DESCRIPTION OF THE CERTIFICATES

The following summary describes the material terms of the Certificates and supplements (or, to the extent inconsistent therewith, replaces) the description of the general terms and provisions of the Certificates set forth in the Prospectus accompanying this Prospectus Supplement (the Prospectus). 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 Continental s Current Report on Form 8-K dated September 25, 1997, and to all of the provisions of the Certificates, the Trust Supplement for the Trust, the Deposit Agreement, the Escrow Agreement and the Intercreditor Agreement, 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. 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 will represent a fractional undivided interest in the Continental Airlines 2003-ERJ1 Pass Through Trust (the Trust). The Trust will be formed pursuant to a pass though trust agreement between Continental and Wilmington Trust Company, as trustee (the Trustee), dated as of September 25, 1997 (the Basic Agreement), and a supplement thereto (the Trust Supplement and, together with the Basic Agreement, the Pass Through Trust Agreement) between Continental and the Trustee. The Certificates to be issued by the Trust are referred to herein as the Class A Certificates or the Certificates .

Each Certificate will represent a fractional undivided interest in the Trust. (Section 2.01) The Trust Property of the Trust (the Trust Property) will consist of:

Subject to the Intercreditor Agreement, Equipment Notes acquired under the Note Purchase Agreement and issued during the Delivery Period on a nonrecourse basis by each of the Owner Trustees in connection with each of the 36 separate leveraged lease transactions to finance a portion of the purchase price of each of the 36 Aircraft.

The rights of the Trust to acquire Equipment Notes under the Note Purchase Agreement.

The rights of the Trust under the Escrow Agreement to request the Escrow Agent to withdraw from the Depositary funds sufficient to enable the Trust to purchase Equipment Notes on the financing of an Aircraft during the Delivery Period.

The rights of the Trust under the Intercreditor Agreement (including all monies receivable in respect of such rights).

All monies receivable under the Liquidity Facility.

Funds from time to time deposited with the Trustee in accounts relating to the Trust.

The Certificates will be issued in fully registered form only and will be subject to the provisions described below under Book-Entry; Delivery and Form . Certificates will be issued only in minimum denominations of $1,000 or integral multiples thereof, except that one Certificate may be issued in a different denomination. (Section 3.01)

The Certificates represent interests in the Trust, and all payments and distributions thereon will be made only from the Trust Property. (Section 3.09) The Certificates do not represent an interest in or obligation of Continental, the Trustee, any of the Loan Trustees or Owner Trustees in their individual capacities, any Owner Participant or any affiliate of any thereof.

Pursuant to the Escrow Agreement, the Certificateholders as holders of the Escrow Receipts affixed to each Certificate are entitled to certain rights with respect to the Deposits. Accordingly, any transfer of a Certificate will have the effect of transferring the corresponding rights with respect to the Deposits, and rights with respect to the Deposits may not be separately transferred by holders of the Certificates (the Certificateholders). Rights with respect to the Deposits and the Escrow Agreement, except for the right to request withdrawals for the purchase of Equipment Notes, will not constitute Trust Property.

Distributions

The distribution terms of the Certificates vary depending upon whether a Triggering Event has occurred. Triggering Event means (x) the occurrence of an Indenture Default under all Indentures resulting in a PTC Event of Default, (y) the acceleration of all of the outstanding Equipment Notes (provided that during the Delivery Period the aggregate principal amount thereof exceeds $200 million) or (z) certain bankruptcy or insolvency events involving Continental.

Before a Triggering Event

On each Regular Distribution Date or Special Distribution Date (each, a Distribution Date), so long as no Triggering Event shall have occurred (whether or not continuing), all payments received by the Subordination Agent in respect of Equipment Notes and certain other payments under the related Indenture will be distributed under the Intercreditor Agreement in the following order:

To the Liquidity Provider to the extent required to pay the Liquidity Expenses.

To the Liquidity Provider to the extent required to pay interest accrued on the Liquidity Obligations.

To the Liquidity Provider to the extent required to pay or reimburse the Liquidity Provider for certain Liquidity Obligations (other than amounts payable pursuant to the two preceding clauses) and, if applicable, to replenish each Cash Collateral Account up to the Required Amount.

To the Trustee to the extent required to pay Expected Distributions on the Certificates.

To the Subordination Agent and the Trustee for the payment of certain fees and expenses.

After a Triggering Event

Upon the occurrence of a Triggering Event and at all times thereafter, all payments received by the Subordination Agent in respect of the Equipment Notes and certain other payments will be distributed under the Intercreditor Agreement in the following order:

To the Subordination Agent, the Trustee, any Certificateholder and the Liquidity Provider to the extent required to pay Administration Expenses.

To the Liquidity Provider to the extent required to pay the Liquidity Expenses.

To the Liquidity Provider to the extent required to pay interest accrued on the Liquidity Obligations.

To the Liquidity Provider to the extent required to pay the outstanding amount of all Liquidity Obligations and, if applicable, unless (x) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes and a Liquidity Event of Default shall have occurred and is continuing or (y) a Final Drawing shall have occurred, to replenish the Cash Collateral Account up to the Required Amount (less the amount of any repayments of Interest Drawings while sub-clause (x) of this clause is applicable).

To the Subordination Agent, the Trustee or any Certificateholder to the extent required to pay certain fees, taxes, charges and other amounts payable.

To the Trustee to the extent required to pay Triggering Event Distributions on the Certificates.

For purposes of calculating Expected Distributions or Triggering Event Distributions with respect to the Certificates, any premium paid on the Equipment Notes that has not been distributed to the Certificateholders (other than such premium or a portion thereof applied to the payment of interest on the Certificates or the reduction of the Pool Balance) shall be added to the amount of Expected Distributions or Triggering Event Distributions.

Payments in respect of the Deposits and monies drawn under a Liquidity Facility will not be subject to the distribution provisions of the Intercreditor Agreement.

Payments

Payments of interest on the Deposits and payments of principal, premium (if any) and interest on the Equipment Notes or with respect to other Trust Property will be distributed by the Paying Agent (in the case of the Deposits) or by the Trustee (in the case of Trust Property) to Certificateholders on the date receipt of such payment is confirmed, except in the case of certain types of Special Payments.

The Deposits and the Equipment Notes will accrue interest at the rate per annum set forth on the cover page of this Prospectus Supplement. Interest will be payable on January 2 and July 2 of each year, commencing on July 2, 2004. Such interest payments will be distributed to Certificateholders on each such date until the final Distribution Date, subject in the case of payments on the Equipment Notes to the Intercreditor Agreement. Interest is calculated on the basis of a 360-day year consisting of twelve 30-day months.

Payments of interest applicable to the Certificates will be supported by a Liquidity Facility provided by the Liquidity Provider for the benefit of the holders of Certificates in an aggregate amount sufficient to pay interest thereon at the Stated Interest Rate on up to three successive Regular Distribution Dates (without regard to any future payments of principal), except that the Liquidity Facility will not cover interest payable by the Depositary on the Deposits. The Liquidity Facility does not provide for drawings thereunder to pay for principal of, premium or any interest in excess of the Stated Interest Rate. See Description of the Liquidity Facility .

Payments of principal of the Equipment Notes are scheduled to be received by the Trustee on January 2 and July 2 in certain years, depending upon the terms of the Equipment Notes.

Scheduled payments of interest on the Deposits and of interest or principal on the Equipment Notes are herein referred to as Scheduled Payments , and January 2 and July 2 of each year are herein referred to as Regular Distribution Dates . See Description of the Equipment Notes Principal and Interest Payments . The Final Maturity Date is January 2, 2020.

The Paying Agent will distribute on each Regular Distribution Date to the Certificateholders all Scheduled Payments received in respect of the related Deposits, the receipt of which is confirmed by the Paying Agent on such Regular Distribution Date. The Trustee will distribute, subject to the Intercreditor Agreement, on each Regular Distribution Date to the Certificateholders all Scheduled Payments received in respect of Equipment Notes, the receipt of which is confirmed by the Trustee on such Regular Distribution Date. Each Certificateholder will be entitled to receive its proportionate share, based upon its fractional interest in the Trust, of any distribution in respect of Scheduled Payments of interest on the Deposits and, subject to the Intercreditor Agreement, of principal or interest on Equipment Notes. Each such distribution of Scheduled Payments will be made by the Paying Agent or Trustee to the Certificateholders of record on the record date applicable to such Scheduled Payment subject to certain exceptions. (Sections 4.01 and 4.02; Escrow Agreement, Section 2.03) If a Scheduled Payment is not received by the Paying Agent or Trustee on a Regular Distribution Date but is received within five days thereafter, it will be distributed on the date received to such holders of record. If it is received after such five-day period, it will be treated as a Special Payment and distributed as described below.

Any payment in respect of, or any proceeds of, any Equipment Note or Trust Indenture Estate under (and as defined in) any Indenture other than a Scheduled Payment (each, a Special Payment) will be distributed on, in the case of an early redemption or a purchase of any Equipment Note, the date of such early redemption or purchase (which shall be a Business Day), and otherwise on the Business Day specified for distribution of such Special Payment pursuant to a notice delivered by the Trustee as soon as practicable after the Trustee has received funds for such Special Payment (each, a Special Distribution Date). Any such distribution will be subject to the Intercreditor Agreement. Any unused Deposits to be distributed after the Delivery Period Termination Date or the occurrence of a Triggering Event, together with accrued and unpaid interest thereon (each, also a Special Payment), will be distributed on a date 25 days after the Paying Agent has received notice of the event requiring such distribution (also, a Special Distribution Date). However, if such date is within ten days before or after a Regular Distribution Date, such Special Payment shall be made on such Regular Distribution Date.

The Paying Agent, in the case of the Deposits, and the Trustee, in the case of Trust Property, will mail a notice to the Certificateholders stating the scheduled Special Distribution Date, the related record date, the amount of the Special Payment and the reason for the Special Payment. In the case of a redemption or purchase of the Equipment Notes or any distribution of unused Deposits after the Delivery Period Termination Date or the occurrence of a Triggering Event, such notice will be mailed not less than 15 days prior to the date such Special Payment is scheduled to be distributed, and in the case of any other Special Payment, such notice will be mailed as soon as practicable after the Trustee has confirmed that it has received funds for such Special Payment. (Section 4.02(c); Trust Supplement, Section 3.01; Escrow Agreement, Sections 2.03 and 2.06) Each distribution of a Special Payment, other than a final distribution, on a Special Distribution Date will be made by the Paying Agent or the Trustee, as applicable, to the Certificateholders of record on the record date applicable to such Special Payment. (Section 4.02(b); Escrow Agreement, Section 2.03) See Indenture Defaults and Certain Rights Upon an Indenture Default and Description of the Equipment Notes Redemption .

The Pass Through Trust Agreement requires that the Trustee establish and maintain, for the benefit of the Certificateholders, one or more non-interest bearing accounts (the Certificate Account) for the deposit of payments representing Scheduled Payments received by the Trustee. The Pass Through Trust Agreement requires that the Trustee establish and maintain, for the benefit of the Certificateholders, one or more accounts (the Special Payments Account) for the deposit of payments representing Special Payments received by the Trustee, which shall be non-interest bearing except in certain circumstances where the Trustee may invest amounts in such account in certain permitted investments. Pursuant to the terms of the Pass Through Trust Agreement, the Trustee is required to deposit any Scheduled Payments received by it in the Certificate Account and to deposit any Special Payments received by it in the Special Payments Account. (Section 4.01; Trust Supplement, Section 3.01) All amounts so deposited will be distributed by the Trustee on a Regular Distribution Date or a Special Distribution Date, as appropriate. (Section 4.02; Trust Supplement, Section 3.01)

The Escrow Agreement requires that the Paying Agent establish and maintain, for the benefit of the Receiptholders, one or more accounts (the Paying Agent Account), which shall be non-interest bearing. Pursuant to the terms of the Escrow Agreement, the Paying Agent is required to deposit interest on Deposits and any unused Deposits withdrawn by the Escrow Agent in the Paying Agent Account. All amounts so deposited will be distributed by the Paying Agent on a Regular Distribution Date or Special Distribution Date, as appropriate.

The final distribution for the Trust will be made only upon presentation and surrender of the Certificates at the office or agency of the Trustee specified in the notice given by the Trustee of such final distribution. The Trustee will mail such notice of the final distribution to the Certificateholders, specifying the date set for such final distribution and the amount of such distribution. (Trust Supplement, Section 7.01) See Termination of the Trust below. Distributions in respect of Certificates issued in global form will be made as described in Book-Entry; Delivery and Form below.

If any Distribution Date is a Saturday, Sunday or other day on which commercial banks are authorized or required to close in New York, New York, Houston, Texas, Wilmington, Delaware, or Salt Lake City, Utah (any other day being a Business Day), distributions scheduled to be made on such Regular Distribution Date or Special Distribution Date will be made on the next succeeding Business Day without additional interest.

Pool Factors

The Pool Balance indicates, as of any date, the original aggregate face amount of the Certificates less the aggregate amount of all payments made in respect of the Certificates or in respect of Deposits other than payments made in respect of interest or premium or reimbursement of any costs or expenses incurred in connection therewith. The Pool Balance as of any Distribution Date shall be computed after giving effect to any special distribution with respect to unused Deposits, payment of principal of the Equipment Notes or payment with respect to other Trust Property and the distribution thereof to be made on that date. (Trust Supplement, Section 2.01)

The Pool Factor as of any Distribution Date is the quotient (rounded to the seventh decimal place) computed by dividing (i) the Pool Balance by (ii) the original aggregate face amount of the Certificates. The Pool Factor as of any Distribution Date shall be computed after giving effect to any special distribution with respect to unused Deposits, payment of principal of the Equipment Notes or payments with respect to other Trust Property and the distribution thereof to be made on that date. (Trust Supplement, Section 2.01) The Pool Factor will be 1.0000000 on the date of issuance of the Certificates; thereafter, the Pool Factor will decline as described herein to reflect reductions in the Pool Balance. The amount of a Certificateholder s pro rata share of the Pool Balance can be determined by multiplying the par value of the holder s Certificate by the Pool Factor as of the applicable Distribution Date. Notice of the Pool Factor and the Pool Balance will be mailed to Certificateholders on each Distribution Date. (Trust Supplement, Section 3.02)

The following table sets forth an illustrative aggregate principal amortization schedule for the Equipment Notes (the Assumed Amortization Schedule) and resulting Pool Factors. The actual aggregate principal amortization schedule and the resulting Pool Factors may differ from those set forth below, since the amortization schedule for the Equipment Notes issued with respect to an Aircraft may vary from such illustrative amortization schedule so long as it complies with the Mandatory Economic Terms. However, the scheduled distribution of principal payments would be affected if any Equipment Notes are redeemed or purchased or if a default in payment on such Equipment Notes occurred. Accordingly, the aggregate principal amortization schedule and the resulting Pool Factors may differ from those set forth in the following table.

Date	Scheduled Principal Payments	Expected Pool Factor
January 2, 2004	$ 0.00	1.00000000000
July 2, 2004	204,555.21	0.99950657840
January 2, 2005	29,513,001.29	0.92831625080
July 2, 2005	14,205,881.72	0.89404927254
January 2, 2006	17,613,951.39	0.85156145649
July 2, 2006	18,317,903.94	0.80737558838
January 2, 2007	1,487,090.87	0.80378847485
July 2, 2007	1,546,523.40	0.80005800006
January 2, 2008	18,248,767.96	0.75603889957
July 2, 2008	18,978,091.36	0.71026054827
January 2, 2009	4,018,588.67	0.70056703587
July 2, 2009	4,179,194.08	0.69048611618
January 2, 2010	17,776,799.82	0.64760548231
July 2, 2010	18,487,260.74	0.60301109709
January 2, 2011	8,028,112.87	0.58364593732
July 2, 2011	7,873,207.31	0.56465443584
January 2, 2012	14,890,499.58	0.52873604405
July 2, 2012	14,957,251.07	0.49265663643
January 2, 2013	11,576,393.47	0.46473242650
July 2, 2013	12,348,203.99	0.43494647966
January 2, 2014	20,928,042.47	0.38446451801
July 2, 2014	22,496,823.89	0.33019839146
January 2, 2015	12,903,406.87	0.29907320181
July 2, 2015	13,419,099.56	0.26670407458

Date	Scheduled Principal Payments	Expected Pool Factor
January 2, 2016	$26,521,941.10	0.20272868770
July 2, 2016	27,581,907.03	0.13619648455
January 2, 2017	14,093,493.13	0.10220060649
July 2, 2017	14,656,748.38	0.06684606195
January 2, 2018	22,298,086.10	0.01305932441
July 2, 2018	5,413,935.73	0.00000000000

The Pool Factor and Pool Balance will be recomputed if there has been an early redemption, purchase, or default in the payment of principal or interest in respect of one or more of the Equipment Notes, as described in Indenture Defaults and Certain Rights Upon an Indenture Default and Description of the Equipment Notes Redemption , or a special distribution attributable to unused Deposits after the Delivery Period Termination Date or the occurrence of a Triggering Event, as described in Description of the Deposit Agreement . If the principal payments scheduled for a Regular Distribution Date prior to the Delivery Period Termination Date are changed, notice thereof will be mailed to the Certificateholders by no later than the 15th day prior to such Regular Distribution Date. In the event of (i) any other change in the scheduled repayments from the Assumed Amortization Schedule or (ii) any such redemption, purchase, default or special distribution, the Pool Factors and the Pool Balances will be recomputed after giving effect thereto and notice thereof will be mailed to the Certificateholders promptly after the Delivery Period Termination Date in the case of clause (i) and promptly after the occurrence of any event described in clause (ii).

Reports to Certificateholders

On each Distribution Date, the Paying Agent and Trustee will include with each distribution by it of a Scheduled Payment or Special Payment to Certificateholders a statement setting forth the following information (per $1,000 aggregate principal amount of Certificate, except as to the amounts described in items (a) and (f) below):

(a) The aggregate amount of funds distributed on such Distribution Date under the Pass Through Trust Agreement and under the Escrow Agreement, indicating the amount allocable to each source.

(b) The amount of such distribution under the Pass Through Trust Agreement allocable to principal and the amount allocable to premium, if any.

(c) The amount of such distribution under the Pass Through Trust Agreement allocable to interest.

(d) The amount of such distribution under the Escrow Agreement allocable to interest.

(e) The amount of such distribution under the Escrow Agreement allocable to unused Deposits, if any.

(f) The Pool Balance and the Pool Factor. (Trust Supplement, Section 3.02(a))

So long as the Certificates are registered in the name of DTC or its nominee, on the record date prior to each Distribution Date, the Trustee will request from DTC a securities position listing setting forth the names of all DTC Participants reflected on DTC s books as holding interests in the Certificates on such record date. On each Distribution Date, the Paying Agent and Trustee will mail to each such DTC Participant the statement described above and will make available additional copies as requested by such DTC Participant for forwarding to Certificate Owners. (Trust Supplement, Section 3.02(a))

In addition, after the end of each calendar year, the Trustee and Paying Agent will furnish to each Certificateholder at any time during the preceding calendar year a report containing the sum of the amounts determined pursuant to clauses (a), (b), (c), (d) and (e) above for such calendar year or, in the event such person was a Certificateholder during only a portion of such calendar year, for the applicable portion of such calendar year, and such other items as are readily available to the Trustee and which a Certificateholder shall reasonably request as necessary for the purpose of such Certificateholder s preparation of its U.S. federal income tax returns. (Trust Supplement, Section 3.02(b)) Such report and such other items shall be prepared on the basis of information supplied to the Trustee by the DTC Participants and shall be delivered by the Trustee to such DTC Participants to be available for forwarding by such DTC Participants to Certificate Owners in the manner described above. (Trust Supplement, Section 3.02(b)) At such time, if any, as the Certificates are issued in the form of definitive certificates, the Paying Agent and Trustee will prepare and deliver the information described above to each Certificateholder of record as the name and period of ownership of such Certificateholder appears on the records of the registrar of the Certificates.

Indenture Defaults and Certain Rights Upon an Indenture Default

An event of default under an Indenture (an Indenture Default) will include an event of default under the related Lease (a Lease Event of Default). See Description of the Equipment Notes Indenture Defaults, Notice and Waiver . There are no cross-default provisions in the Indentures or in the Leases. Consequently, events resulting in an Indenture Default under any particular Indenture may or may not result in an Indenture Default under any other Indenture, and a Lease Event of Default under any particular Lease may or may not constitute a Lease Event of Default under any other Lease. If an Indenture Default occurs in fewer than all of the Indentures, notwithstanding the treatment of Equipment Notes issued under any Indenture under which an Indenture Default has occurred, payments of principal and interest on all of the Equipment Notes will continue to be distributed to the holders of the Certificates as originally scheduled, subject to the Intercreditor Agreement. See Description of the Intercreditor Agreement Priority of Distributions .

With respect to each Aircraft, the applicable Owner Trustee and Owner Participant will, under the related Indenture, have the right under certain circumstances to cure Indenture Defaults that result from the occurrence of a Lease Event of Default under the related Lease. If the Owner Trustee or the Owner Participant exercises any such cure right, the Indenture Default will be deemed to have been cured.

Upon the occurrence and continuation of an Indenture Default, the Controlling Party will direct the Indenture Trustee under such Indenture in the exercise of remedies thereunder and may accelerate and sell all (but not less than all) of the Equipment Notes issued under such Indenture to any person. The proceeds of such sale will be distributed pursuant to the provisions of the Intercreditor Agreement. Any such proceeds so distributed to the Trustee upon any such sale shall be deposited in the Special Payments Account and shall be distributed to the Certificateholders on a Special Distribution Date. (Sections 4.01 and 4.02) The market for Equipment Notes at the time of the existence of an Indenture Default may be very limited and there can be no assurance as to the price at which they could be sold. If any such Equipment Notes are sold for less than their outstanding principal amount, the Certificateholders will receive a smaller amount of principal distributions than anticipated and will not have any claim for the shortfall against Continental, any Liquidity Provider, any Owner Trustee, any Owner Participant or the Trustee.

Any amount, other than Scheduled Payments received on a Regular Distribution Date or within five days thereafter, distributed to the Trustee by the Subordination Agent on account of any Equipment Note or Trust Indenture Estate under (and as defined in) any Indenture following an Indenture Default will be deposited in the Special Payments Account and will be distributed to the Certificateholders on a Special Distribution Date. (Sections 4.01 and 4.02; Trust Supplement, Section 3.01) In addition, if, following an Indenture Default under any Indenture, the applicable Owner Participant or Owner Trustee exercises its option to redeem or purchase the outstanding Equipment Notes issued under such Indenture, the price paid by such Owner Participant or Owner Trustee for the Equipment Notes issued under such Indenture and distributed to the Trust by the Subordination Agent will be deposited in the Special Payments Account and will be distributed to the Certificateholders on a Special Distribution Date. (Sections 4.01 and 4.02)

Any funds representing payments received with respect to any defaulted Equipment Notes, or the proceeds from the sale of any Equipment Notes, held by the Trustee in the Special Payments Account will, to the extent practicable, be invested and reinvested by the Trustee in certain permitted investments pending the distribution of such funds on a Special Distribution Date. (Section 4.04) Such permitted investments are defined as obligations of the United States or agencies or instrumentalities thereof for the payment of which the full faith and credit of the United States is pledged and which mature in not more than 60 days or such lesser time as is required for the distribution of any such funds on a Special Distribution Date. (Section 1.01)

The Pass Through Trust Agreement provides that the Trustee will, within 90 days after the occurrence of any default known to the Trustee, give to the Certificateholders notice, transmitted by mail, of such uncured or unwaived default known to it, provided that, except in the case of default in a payment of principal, premium, if any, or interest on any of the Equipment Notes, the Trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the Certificateholders. (Section 7.02) The term default as used in this paragraph only means the occurrence of an Indenture Default under any Indenture pursuant to which Equipment Notes held by the Trust were issued, as described above, except that in determining whether any such Indenture Default has occurred, any grace period or notice in connection therewith will be disregarded.

The Pass Through Trust Agreement contains a provision entitling the Trustee, subject to the duty of the Trustee during a default to act with the required standard of care, to be offered reasonable security or indemnity by the holders of the Certificates before proceeding to exercise any right or power under the Pass Through Trust Agreement at the request of such Certificateholders. (Section 7.03(e))

Subject to certain qualifications set forth in the Pass Through Trust Agreement and to the Intercreditor Agreement, the Certificateholders holding Certificates evidencing fractional undivided interests aggregating not less than a majority in interest in the Trust shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or pursuant to the terms of the Intercreditor Agreement, or exercising any trust or power conferred on the Trustee under the Pass Through Trust Agreement or the Intercreditor Agreement, including any right of the Trustee as Controlling Party under the Intercreditor Agreement or as holder of the Equipment Notes. (Section 6.04)

In certain cases, the holders of the Certificates evidencing fractional undivided interests aggregating not less than a majority in interest of the Trust may on behalf of the holders of all the Certificates waive any past event of default (*i.e.*, any Indenture Default under any Indenture pursuant to which Equipment Notes held by the Trust were issued) and its consequences or, if the Trustee is the Controlling Party, may direct the Trustee to instruct the applicable Loan Trustee to waive any past Indenture Default and its consequences, except (i) a default in the deposit of any Scheduled Payment or Special Payment or in the distribution thereof, (ii) a default in payment of the principal, premium, if any, or interest with respect to any of the Equipment Notes and (iii) a default in respect of any covenant or provision of the Pass Through Trust Agreement that cannot be modified or amended without the consent of each Certificateholder affected thereby. (Section 6.05) Each Indenture will provide that, with certain exceptions, the holders of the majority in aggregate unpaid principal amount of the Equipment Notes issued thereunder may on behalf of all such holders waive any past default or Indenture Default thereunder. Notwithstanding such provisions of the Indentures, pursuant to the Intercreditor Agreement only the Controlling Party will be entitled to waive any such past default or Indenture Default.

PTC Event of Default

A Pass Through Certificate Event of Default (a PTC Event of Default) under the Pass Through Trust Agreement means the failure to pay:

The outstanding Pool Balance of the Certificates within ten Business Days of the Final Maturity Date.

Interest due on the Certificates within ten Business Days of any Distribution Date (unless the Subordination Agent shall have made Interest Drawings, or withdrawals from the Cash Collateral Account, with respect thereto in an aggregate amount sufficient to pay such interest and shall have distributed such amount to the Trustee). (Section 1.01)

Any failure to make expected principal distributions on any Regular Distribution Date (other than the Final Maturity Date) will not constitute a PTC Event of Default. A PTC Event of Default resulting from an Indenture Default under all Indentures will constitute a Triggering Event. See Description of the

Intercreditor Agreement Priority of Distributions for a discussion of the consequences of the occurrence of a Triggering Event.

Merger, Consolidation and Transfer of Assets

Continental will be prohibited from consolidating with or merging into any other corporation or transferring substantially all of its assets as an entirety to any other corporation unless:

The surviving successor or transferee corporation shall be validly existing under the laws of the United States or any state thereof or the District of Columbia.

The surviving successor or transferee corporation shall be a citizen of the United States (as defined in Title 49 of the United States Code relating to aviation (the Transportation Code)) holding an air carrier operating certificate issued pursuant to Chapter 447 of Title 49, United States Code, if, and so long as, such status is a condition of entitlement to the benefits of Section 1110 of the Bankruptcy Code.

The surviving successor or transferee corporation shall expressly assume all of the obligations of Continental contained in the Basic Agreement and the Trust Supplement, the Note Purchase Agreement, the Participation Agreements and the Leases, and any other operative documents.

Continental shall have delivered a certificate and an opinion or opinions of counsel indicating that such transaction, in effect, complies with such conditions.

In addition, after giving effect to such transaction, no Lease Event of Default shall have occurred and be continuing. (Section 5.02; Leases, Section 13.2)

The Basic Agreement, the Trust Supplement, the Note Purchase Agreement, the Indentures, the Participation Agreements and the Leases will not contain any covenants or provisions which may afford the Trustee or Certificateholders protection in the event of a highly leveraged transaction, including transactions effected by management or affiliates, which may or may not result in a change in control of Continental.

Modifications of the Pass Through Trust Agreement and Certain Other Agreements

The Pass Through Trust Agreement contains provisions permitting, at the request of Continental, the execution of amendments or supplements to the Pass Through Trust Agreement or, if applicable, to the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility, without the consent of the holders of any of the Certificates:

To evidence the succession of another corporation to Continental and the assumption by such corporation of Continental s obligations under the Pass Through Trust Agreement or the Note Purchase Agreement.

To add to the covenants of Continental for the benefit of Certificateholders or to surrender any right or power conferred upon Continental in the Pass Through Trust Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility.

To correct or supplement any provision of the Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility which may be defective or inconsistent with any other provision in such agreement or facility, as applicable, or to cure any ambiguity or to modify any other provision with respect to matters or questions arising under the Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility, provided that such action shall not materially adversely affect the interests of the Certificateholders; to correct any mistake in the Pass Through Trust Agreement, the Intercreditor Agreement or the Liquidity Facility; or, as provided in the Intercreditor Agreement, to give effect to or provide for a Replacement Facility.

To comply with any requirement of the Commission, any applicable law, rules or regulations of any exchange or quotation system on which the Certificates are listed, or any regulatory body.

To modify, eliminate or add to the provisions of the Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility to such extent as shall be necessary to continue the qualification of the Pass Through Trust Agreement (including any supplemental agreement) under the Trust Indenture Act of 1939, as amended (the Trust Indenture Act), or any similar federal statute enacted after the execution of the Pass Through Trust Agreement, and to add to the Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility such other provisions as may be expressly permitted by the Trust Indenture Act.

To evidence and provide for the acceptance of appointment under the Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility by a successor Trustee and to add to or change any of the provisions of such Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility as shall be necessary to provide for or facilitate the administration of the Trust under the Basic Agreement by more than one Trustee.

In each case, such modification or supplement may not adversely affect the status of the Trust as a grantor trust under Subpart E, Part I of Subchapter J of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended (the Code), for U.S. federal income tax purposes. (Section 9.01; Trust Supplement, Section 6.01)

The Pass Through Trust Agreement also contains provisions permitting the execution, with the consent of the holders of the Certificates evidencing fractional undivided interests aggregating not less than a majority in interest of the Trust, of amendments or supplements adding any provisions to or changing or eliminating any of the provisions of the Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility to the extent applicable to such Certificateholders or of modifying the rights and obligations of such Certificateholders under the Pass Through Trust Agreement, the Deposit Agreement, the Escrow Agreement, the Intercreditor Agreement, the Note Purchase Agreement or the Liquidity Facility. No such amendment or supplement may, without the consent of the holder of each Certificate so affected thereby:

Reduce in any manner the amount of, or delay the timing of, any receipt by the Trustee (or, with respect to the Deposits, the Receiptholders) of payments with respect to the Equipment Notes held in the Trust or distributions in respect of any Certificate (or, with respect to the Deposits, payments upon the Deposits), or change the date or place of any payment in respect of any Certificate, or make distributions payable in coin or currency other than that provided for in such Certificates, or impair the right of any Certificateholder to institute suit for the enforcement of any such payment when due.

Permit the disposition of any Equipment Note held in the Trust, except as provided in the Pass Through Trust Agreement, or otherwise deprive such Certificateholder of the benefit of the ownership of the applicable Equipment Notes.

Alter the priority of distributions specified in the Intercreditor Agreement in a manner materially adverse to such Certificateholders.

Reduce the percentage of the aggregate fractional undivided interests of the Trust provided for in the Pass Through Trust Agreement, the consent of the holders of which is required for any such supplemental trust agreement or for any waiver provided for in the Pass Through Trust Agreement.

Modify any of the provisions relating to the rights of the Certificateholders in respect of the waiver of events of default or receipt of payment.

Adversely affect the status of the Trust as a grantor trust under Subpart E, Part I of Subchapter J of Chapter 1 of Subtitle A of the Code for U.S. federal income tax purposes. (Section 9.02; Trust Supplement, Section 6.02)

In the event that the Trustee, as holder (or beneficial owner through the Subordination Agent) of any Equipment Note in trust for the benefit of the Certificateholders or as Controlling Party under the Intercreditor Agreement, receives (directly or indirectly through the Subordination Agent) a request for a consent to any amendment, modification, waiver or supplement under any Indenture, any Participation Agreement, any Lease, any Equipment Note or any other related document, the Trustee shall forthwith send a notice of such proposed amendment, modification, waiver or supplement to each Certificateholder as of the date of such notice. The Trustee shall request from the Certificateholders a direction as to:

Whether or not to take or refrain from taking (or direct the Subordination Agent to take or refrain from taking) any action which a holder of such Equipment Note or the Controlling Party has the option to direct.

Whether or not to give or execute (or direct the Subordination Agent to give or execute) any waivers, consents, amendments, modifications or supplements as a holder of such Equipment Note or as Controlling Party.

How to vote (or direct the Subordination Agent to vote) any Equipment Note if a vote has been called for with respect thereto.

Provided such a request for Certificateholder direction shall have been made, in directing any action or casting any vote or giving any consent as the holder of any Equipment Note (or in directing the Subordination Agent in any of the foregoing):

Other than as Controlling Party, the Trustee shall vote for or give consent to any such action with respect to such Equipment Note in the same proportion as that of (x) the aggregate face amount of all Certificates actually voted in favor of or for giving consent to such action by such direction of Certificateholders to (y) the aggregate face amount of all outstanding Certificates.

As the Controlling Party, the Trustee shall vote as directed in such Certificateholder direction by the Certificateholders evidencing fractional undivided interests aggregating not less than a majority in interest in the Trust.

For purposes of the immediately preceding paragraph, a Certificate shall have been actually voted if the Certificateholder has delivered to the Trustee an instrument evidencing such Certificateholder s consent to such direction prior to one Business Day before the Trustee directs such action or casts such vote or gives such consent. Notwithstanding the foregoing, but subject to certain rights of the Certificateholders under the Pass Through Trust Agreement and subject to the Intercreditor Agreement, the Trustee may, in its own discretion and at its own direction, consent and notify the relevant Loan Trustee of such consent (or direct the Subordination Agent to consent and notify the relevant Loan Trustee of such consent) to any amendment, modification, waiver or supplement under the relevant Indenture, Participation Agreement or Lease, any relevant Equipment Note or any other related document, if an Indenture Default under any Indenture shall have occurred and be continuing, or if such amendment, modification, waiver or supplement will not materially adversely affect the interests of the Certificateholders. (Section 10.01)

Obligation to Purchase Equipment Notes

The Trustee will be obligated to purchase the Equipment Notes issued with respect to the Aircraft during the Delivery Period, subject to the terms and conditions of a note purchase agreement (the Note Purchase Agreement). Under the Note Purchase Agreement, Continental agrees to enter into a leveraged lease financing with respect to each Aircraft. The Note Purchase Agreement provides for the relevant parties to enter into a participation agreement (each, a Participation Agreement), a Lease and an indenture (each, an Indenture) relating to the financing of such Aircraft utilizing the forms of such agreements attached as exhibits to the Note Purchase Agreement. Under the Note Purchase Agreement, the terms of such agreements are required not to vary the Mandatory Economic Terms. In addition, under the Note Purchase Agreement, it is a condition precedent to the obligation of the Trustee to purchase the Equipment Notes related to the financing of an Aircraft that no Triggering Event shall have occurred. The Trustee will have no right or obligation to purchase Equipment Notes after the Delivery Period Termination Date.

The Mandatory Economic Terms, as defined in the Note Purchase Agreement, require, among other things, that:

The aggregate principal amount of the Equipment Notes issued with respect to an Aircraft shall equal the amounts set forth in the following table:

Aircraft Registration Number	Manufacturer s Serial Number	Principal Amount of Equipment Notes
N11119	145677	$11,198,345
N18120	145681	11,252,118
N11121	145683	11,190,515
N12122	145684	11,190,515
N13123	145688	10,974,709
N13124	145689	10,982,629
N14125	145690	10,975,970
N12126	145693	10,975,970
N11127	145697	10,946,914
N24128	145700	10,946,914
N21129	145703	11,158,791
N21130	145704	11,158,791
N31131	145705	11,214,541
N13132	145708	11,214,541
N13133	145712	11,248,653
N25134	145714	11,248,653
N12135	145718	11,192,520
N12136	145719	11,807,454
N11137	145721	11,684,587
N17138	145727	11,636,952
N23139	145731	11,484,737
N11140	145732	11,423,207
N26141	145733	11,484,070
N12142	145735	11,484,070
N14143	145739	11,889,295
N21144	145741	11,889,392
N12145	145745	11,996,349
N17146	145746	11,996,349
N16147	145749	12,046,189
N14148	145751	11,988,621
N16149	145753	12,031,757
N11150	145756	12,090,003
N16151	145758	12,150,000
N27152	145759	12,110,644
N14153	145761	12,150,000
N21154	145772	12,150,000

The LTV for the Equipment Notes issued for each Aircraft computed on the date of issuance thereof (with value for such Aircraft for these purposes initially equal to its value (the Assumed Appraised Value) set forth under Description of the Aircraft and the Appraisals The Appraisals in the column Appraised Value and thereafter based on such value after giving effect to the Depreciation Assumption) as of the issuance date of such Equipment Notes and any Regular Distribution Date thereafter (assuming no default in the payment of the Equipment Notes and after giving effect to scheduled payments) will not exceed 62.0%.

The initial average life of the Equipment Notes for any Aircraft shall not extend beyond 8.5 years from the Issuance Date.

As of the Delivery Period Termination Date, the average life of the Certificates shall not be more than 8.4 years from the Issuance Date (computed without regard to the acceleration of any Equipment Notes and after giving effect to any special distribution on the Certificates thereafter required in respect of unused Deposits).

The final expected distribution date of the Certificates shall be as set forth on the cover page of this Prospectus Supplement.

The original aggregate principal amount of all of the Equipment Notes shall not exceed the original aggregate face amount of the Certificates.

The interest rate applicable to the Equipment Notes must be equal to the rate applicable to the Certificates.

The payment dates for the Equipment Notes must be January 2 and July 2, and basic rent under the Leases must be payable on such dates.

Basic rent, stipulated loss values and termination values under the Leases must be sufficient to pay amounts due with respect to the related Equipment Notes.

The amounts payable under the all-risk aircraft hull insurance maintained with respect to each Aircraft must be sufficient to pay the applicable stipulated loss value, subject to certain rights of self-insurance.

(a) The past due rate in the Indentures and the Leases, (b) the Make-Whole Premium payable under the Indentures, (c) the provisions relating to the redemption and purchase of Equipment Notes in the Indentures, (d) the minimum liability insurance amount on Aircraft in the Leases, and (e) the indemnification of the Loan Trustees, Subordination Agent, Liquidity Provider, Trustee, Escrow Agent and registered holders of the Equipment Notes (in such capacity, the Note Holders) with respect to certain taxes and expenses, in each case shall be provided as set forth in the forms of Participation Agreements, Lease and Indentures attached as exhibits to the Note Purchase Agreement (collectively, the Aircraft Operative Agreements).

Termination of the Trust

The obligations of Continental and the Trustee will terminate upon the distribution to the Certificateholders of all amounts required to be distributed to them pursuant to the Pass Through Trust Agreement and the disposition of all property held in the Trust. The Trustee will send to each Certificateholder notice of the termination of the Trust, the amount of the proposed final payment and the proposed date for the distribution of such final payment. The final distribution to any Certificateholder will be made only upon surrender of such Certificateholder s Certificates at the office or agency of the Trustee specified in such notice of termination. (Trust Supplement, Section 7.01)

Governing Law

The Pass Through Trust Agreement and the Certificates will be governed by the laws of the State of New York. (Section 12.05)

The Trustee

The Trustee will be Wilmington Trust Company. The Trustee s address is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001, Attention: Corporate Trust Administration.

Book-Entry; Delivery and Form

Upon issuance, the Certificates will be represented by one or more fully registered global certificates. Each global certificate will be deposited with, or on behalf of, The Depository Trust Company (DTC) and registered in the name of Cede & Co. (Cede), the nominee of DTC. DTC was created to hold securities for its participants (DTC Participants) and facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Interests in a global certificate may also be held through the Euroclear System and Clearstream, Luxembourg. See Description of the Certificates Book-Entry Registration in the Prospectus for a discussion of the book-entry procedures applicable to the Certificates and the limited circumstances under which definitive certificates may be issued for the Certificates.

So long as such book-entry procedures are applicable, no person acquiring an interest in the Certificates (Certificate Owner) will be entitled to receive a certificate representing such person s interest in such Certificates. Unless and until definitive certificates are issued under the limited circumstances described in the Prospectus, all references to actions by Certificateholders shall refer to actions taken by DTC upon instructions from DTC Participants, and all references herein to distributions, notices, reports and statements to Certificateholders shall refer, as the case may be, to distributions, notices, reports and statements to DTC or Cede, as the registered holder of such Certificates, or to DTC Participants for distribution to Certificate Owners in accordance with DTC procedures.

DESCRIPTION OF THE DEPOSIT AGREEMENT

The following summary describes the material terms of the Deposit Agreement. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Deposit Agreement, which will be filed as an exhibit to a Current Report on Form 8-K to be filed by Continental with the Commission.

General

Under the Escrow Agreement, the Escrow Agent will enter into a Deposit Agreement with the Depositary. Pursuant to the Escrow Agreement, the Depositary will establish an account into which the proceeds of the Offering, to the extent not used to purchase Equipment Notes on the Issuance Date, will be deposited (such proceeds, as so deposited, the Deposits) on behalf of the Escrow Agent. Pursuant to the Deposit Agreement (the Deposit Agreement), on each Regular Distribution Date the Depositary will pay to the Paying Agent on behalf of the Escrow Agent, for distribution to the Certificateholders, an amount equal to interest accrued on the Deposits during the relevant interest period at a rate per annum equal to the interest rate applicable to the Certificates. After the Issuance Date, upon each financing of an Aircraft during the Delivery Period, the Trustee will request the Escrow Agent to withdraw from the Deposits funds sufficient to enable the Trustee to purchase the Equipment Note issued with respect to such Aircraft. Accrued but unpaid interest on all such Deposits withdrawn will be paid on the next Regular Distribution Date. Any portion of the Deposits withdrawn which is not used to purchase such Equipment Note will be re-deposited by the Trustee. The Deposits and interest paid thereon will not be subject to the distribution provisions of the Intercreditor Agreement and will not be available to pay any other amount in respect of the Certificates.

Unused Deposits

The Trustee s obligations to purchase the Equipment Notes issued with respect to each Aircraft are subject to satisfaction of certain conditions at the time of financing, as set forth in the Note Purchase Agreement. See Description of the Certificates Obligation to Purchase Equipment Notes . No assurance can be given that all such conditions will be satisfied at the scheduled time of financing for each such Aircraft. Moreover, since two of the Aircraft will be newly manufactured after the Issuance Date, their delivery as scheduled is subject to delays in the manufacturing process and to the Aircraft manufacturer s right to postpone deliveries under its agreement with ExpressJet. See Description of the Aircraft and Appraisals Deliveries of Aircraft .

If any funds remain as Deposits at the end of the Delivery Period (the Delivery Period Termination Date), such funds will be withdrawn by the Escrow Agent and distributed, with accrued and unpaid interest thereon but without premium, to the Certificateholders after at least 15 days prior written notice.

Distribution Upon Occurrence of Triggering Event

If a Triggering Event shall occur prior to the Delivery Period Termination Date, the Escrow Agent will withdraw any funds then held as Deposits and cause such funds, with accrued and unpaid interest thereon but without any premium, to be distributed to the Certificateholders by the Paying Agent on behalf of the Escrow Agent, after at least 15 days prior written notice. Accordingly, if a Triggering Event occurs prior to the Delivery Period Termination Date, the Trust will not acquire Equipment Notes issued with respect to Aircraft expected to be financed after the occurrence of such Triggering Event.

Depositary

Citibank, N.A. will act as depositary (the Depositary). Citibank, N.A. is a wholly-owned subsidiary of Citicorp, a Delaware corporation, and is Citicorp s principal subsidiary. As of September 30, 2003, the total assets of Citibank, N.A. and its consolidated subsidiaries represented approximately 70% of the total assets of Citicorp and its consolidated subsidiaries.

Citibank, N.A. has a long-term unsecured debt rating of Aa1 from Moody s and a long-term issuer credit rating of AA from Standard & Poor s, and a short-term unsecured debt rating of P-1 from Moody s and a short-term issuer debt rating of A-1+ from Standard & Poor s.

The consolidated balance sheets of Citibank, N.A. as of December 31, 2002 and as of December 31, 2001 are set forth in the Annual Report on Form 10-K of Citicorp and its subsidiaries for the year ended December 31, 2002. The consolidated balance sheet of Citibank, N.A. as of September 30, 2003 is set forth in the Quarterly Report on Form 10-Q of Citicorp and its subsidiaries for the quarter ended September 30, 2003. Copies of such reports are available upon request, without charge, by writing or calling Citigroup Document Services, 140 58th Street, Brooklyn, New York 11220, (718) 765-6460.

DESCRIPTION OF THE ESCROW AGREEMENT

The following summary describes the material terms of the escrow and paying agent agreement (the Escrow Agreement). The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Escrow Agreement, which will be filed as an exhibit to a Current Report on Form 8-K to be filed by Continental with the Commission.

Wells Fargo Bank Northwest, National Association, as escrow agent (the Escrow Agent), Wilmington Trust Company, as paying agent on behalf of the Escrow Agent (the Paying Agent), the Trustee and the Underwriters will enter into the Escrow Agreement for the benefit of the Certificateholders as holders of the escrow receipts affixed thereto (such escrow receipts, the Escrow Receipts and, in the case of any Certificateholder in such capacity, a Receiptholder). To the extent not used to purchase Equipment Notes on the Issuance Date, the cash proceeds of the offering of the Certificates will be deposited on behalf of the Escrow Agent (for the benefit of Receiptholders) with the Depositary as Deposits. The Escrow Agent shall permit the Trustee to cause funds to be withdrawn from such Deposits on or prior to the Delivery Period Termination Date to allow the Trustee to purchase the Equipment Notes pursuant to the Note Purchase Agreement. In addition, the Escrow Agent shall direct the Depositary to pay interest on the Deposits accrued in accordance with the Deposit Agreement to the Paying Agent for distribution to the Receiptholders.

The Escrow Agreement requires that the Paying Agent establish and maintain, for the benefit of the Receiptholders, one or more Paying Agent Account(s), which shall be non-interest-bearing. The Paying Agent shall deposit interest on Deposits and any unused Deposits withdrawn by the Escrow Agent in the Paying Agent Account. The Paying Agent shall distribute these amounts on a Regular Distribution Date or Special Distribution Date, as appropriate.

Upon receipt by the Depositary of cash proceeds from this Offering, the Escrow Agent will issue one or more Escrow Receipts which will be affixed by the Trustee to each Certificate. Each Escrow Receipt attached to a Certificate evidences a fractional undivided interest in amounts from time to time deposited into the Paying Agent Account under the Escrow Agreement and is limited in recourse to amounts deposited into such account. An Escrow Receipt may not be assigned or transferred except in connection with the assignment or transfer of the Certificate to which it is affixed. Each Escrow Receipt will be registered by the Escrow Agent in the same name and manner as the Certificate to which it is affixed.

DESCRIPTION OF THE LIQUIDITY FACILITY

The following summary describes the material terms of the Liquidity Facility and certain provisions of the Intercreditor Agreement relating to the Liquidity Facility. The summary supplements (and, to the extent inconsistent therewith, replaces) the description of the general terms and provisions relating to the Liquidity Facility and the Intercreditor Agreement set forth in the Prospectus. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Liquidity Facility and the Intercreditor Agreement, 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.

General

Citibank, N.A. (the Liquidity Provider) will enter into a revolving credit agreement (the Liquidity Facility) with the Subordination Agent. Under the Liquidity Facility, the Liquidity Provider will, if necessary, make one or more advances (Interest Drawings) to the Subordination Agent in an aggregate amount (the Required Amount) sufficient to pay interest on the Certificates on up to three consecutive semiannual Regular Distribution Dates at the interest rate shown on the cover page of this Prospectus Supplement (the Stated Interest Rate). If interest payment defaults occur which exceed the amount covered by or available under the Liquidity Facility, the Certificateholders will bear their allocable share of the deficiencies to the extent that there are no other sources of funds. The initial liquidity provider may be replaced by one or more other entities under certain circumstances. Citibank, N.A. and Continental intend to seek a replacement liquidity provider to replace Citibank, N.A. on or after the Issuance Date, although no assurance can be given that such replacement will occur.

Drawings

The aggregate amount available under the Liquidity Facility at July 2, 2004, the first Regular Distribution Date after all Aircraft are expected to have been financed under the Offering, assuming that such Aircraft are so financed and that all interest and principal due on or prior to July 2, 2004 is paid, will be $48,946,300.

Except as otherwise provided below, the Liquidity Facility will enable the Subordination Agent to make Interest Drawings thereunder promptly on or after any Regular Distribution Date to pay interest then due and payable on the Certificates at the Stated Interest Rate to the extent that the amount, if any, available to the Subordination Agent on such Regular Distribution Date is not sufficient to pay such interest; provided, however, that the maximum amount available to be drawn under the Liquidity Facility on any Regular Distribution Date to fund any shortfall of interest on Certificates will not exceed the then Maximum Available Commitment under the Liquidity Facility. The Maximum Available Commitment at any time is an amount equal to the then Required Amount less the aggregate amount of each Interest Drawing outstanding under the Liquidity Facility at such time, provided that following a Downgrade Drawing, a Final Drawing or a Non-Extension Drawing, the Maximum Available Commitment shall be zero.

The Liquidity Facility does not provide for drawings thereunder to pay for principal of or premium on the Certificates or any interest thereon in excess of the Stated Interest Rate or more than three semiannual installments of interest thereon. (Liquidity Facility, Section 2.02; Intercreditor Agreement, Section 3.6) In addition, the Liquidity Facility does not provide for drawings thereunder to pay any amounts payable with respect to the Deposits.

Each payment by the Liquidity Provider reduces by the same amount the Maximum Available Commitment under the Liquidity Facility, subject to reinstatement as hereinafter described. With respect to any Interest Drawing, upon reimbursement of the Liquidity Provider in full or in part for the amount of such Interest Drawing plus interest thereon, the Maximum Available Commitment under the Liquidity Facility will be reinstated by an amount equal to the amount of such Interest Drawing so reimbursed to an amount not to exceed the then Required Amount. However, the Liquidity Facility will not be so reinstated at any time if (i) a Liquidity Event of Default shall have occurred and be continuing and less than 65% of the then aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes or (ii) a Final Drawing shall have been made. With respect to any other drawings under the Liquidity Facility, amounts available to be drawn thereunder are not subject to reinstatement. The Required Amount will be automatically reduced from time to time to an amount equal to the next three successive interest payments due on the Certificates (without regard to expected future payment of principal of the Certificates) at the Stated Interest Rate. (Liquidity Facility, Section 2.04(a); Intercreditor Agreement, Section 3.6(j))

Performing Equipment Note means an Equipment Note with respect to which no payment default has occurred and is continuing (without giving effect to any acceleration); provided that in the event of a bankruptcy proceeding under the U.S. Bankruptcy Code in which Continental is a debtor any payment default existing during the 60-day period under Section 1110(a)(2)(A) of the U.S. Bankruptcy Code (or such longer period as may apply under Section 1110(b) of the U.S. Bankruptcy Code or as may apply for the cure of such payment default under Section 1110(a)(2)(B) of the U.S. Bankruptcy Code) shall not be taken into consideration until the expiration of the applicable period.

If at any time the short-term unsecured debt rating or short-term issuer credit rating, as the case may be, of the Liquidity Provider then issued by either Rating Agency is lower than the Threshold Rating (unless the Rating Agencies confirm in writing that such downgrading of the Liquidity Provider will not result in the downgrading, withdrawal or suspension of the ratings of the Certificates), and the Liquidity Facility is not replaced with a Replacement Facility within ten days after notice of such downgrading and as otherwise provided in the Intercreditor Agreement, the Liquidity Facility will be drawn in full up to the then Maximum Available Commitment (the Downgrade Drawing). The proceeds of a Downgrade Drawing will be deposited into a cash collateral account (the Cash Collateral Account) and used for the same purposes and under the same circumstances and subject to the same conditions as cash payments of Interest Drawings under the Liquidity Facility would be used. (Liquidity Facility, Section 2.02(c); Intercreditor Agreement, Section 3.6(c)) If a qualified Replacement Facility is subsequently provided, the balance of the Cash Collateral Account will be repaid to the replaced Liquidity Provider.

A Replacement Facility will mean an irrevocable liquidity facility (or liquidity facilities) in substantially the form of the replaced Liquidity Facility, including reinstatement provisions, or in such other form or forms (which may include a letter of credit, surety bond, financial insurance policy or guaranty) as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Certificates (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider), in a face amount (or in an aggregate face amount) equal to the amount of interest payable on the Certificates (at the Stated Interest Rate, and without regard to expected future principal payments) on the three Regular Distribution Dates following the date of replacement of the Liquidity Facility and issued by a person (or persons) having a short-term unsecured debt rating or short-term issuer credit rating, as the case may be, issued by both Rating Agencies which are equal to or higher than the Threshold Rating or such other ratings and qualifications as shall permit the Rating Agencies to confirm in writing their respective ratings then in effect for the Certificates (before downgrading of such ratings, if any, as a result of the downgrading of the Liquidity Provider). (Intercreditor Agreement, Section 1.1) The provider of any Replacement Facility will have the same rights (including, without limitation, priority distribution rights and rights as Controlling Party) under the Intercreditor Agreement as the initial Liquidity Provider.

Threshold Rating means the short-term unsecured debt rating of P-1 by Moody s Investors Service, Inc. (Moody s), and the short-term issuer credit rating of A-1 by Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc. (Standard & Poor s , and together with Moody s, the Rating Agencies).

The Liquidity Facility provides that the Liquidity Provider s obligations thereunder will expire on the earliest of:

364 days after the initial issuance date of the Certificates (the Issuance Date) (counting from, and including, such issuance date).

The date on which the Subordination Agent delivers to the Liquidity Provider a certification that all of the Certificates have been paid in full.

The date on which the Subordination Agent delivers to the Liquidity Provider a certification that a Replacement Facility has been substituted for the Liquidity Facility.

The fifth Business Day following receipt by the Subordination Agent of a Termination Notice from the Liquidity Provider (see Liquidity Events of Default).

The date on which no amount is or may (by reason of reinstatement) become available for drawing under the Liquidity Facility.

The Liquidity Facility provides that it may be extended for additional 364-day periods by mutual agreement of the Liquidity Provider and the Subordination Agent. Under certain circumstances the Liquidity Provider may extend its Liquidity Facility to the date that is 15 days after the Final Maturity Date.

The Intercreditor Agreement will provide for the replacement of the Liquidity Facility if the Liquidity Facility is scheduled to expire earlier than 15 days after the Final Maturity Date and is not extended at least 25 days prior to its then scheduled expiration date. If the Liquidity Facility is not so extended or replaced by the 25th day prior to its then scheduled expiration date, the Liquidity Facility will be drawn in full up to the then Maximum Available Commitment (the Non-Extension Drawing). The proceeds of the Non-Extension Drawing will be deposited in the Cash Collateral Account as cash collateral to be used for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under the Liquidity Facility would be used. (Liquidity Facility, Section 2.02(b); Intercreditor Agreement, Section 3.6(d))

Subject to certain limitations, Continental may, at its option, arrange for a Replacement Facility at any time to replace the liquidity facility for the Trust (including without limitation any Replacement Facility described in the following sentence). In addition, if any liquidity provider shall determine not to extend its liquidity facility, then such liquidity provider may, at its option, arrange for a Replacement Facility to replace such liquidity facility (i) during the period no earlier than 40 days and no later than 25 days prior to the then scheduled expiration date of such liquidity facility and (ii) at any time after such scheduled expiration date. The liquidity provider may also arrange for a Replacement Facility to replace its liquidity facility at any time after it has extended such liquidity facility to the date that is 15 days after the Final Maturity Date or at any time after a Downgrade Drawing. If any Replacement Facility is provided at any time after a Downgrade Drawing or a Non-Extension Drawing, the funds on deposit in the Cash Collateral Account will be returned to the liquidity provider being replaced. (Intercreditor Agreement, Section 3.6(e))

Upon receipt by the Subordination Agent of a Termination Notice from the Liquidity Provider, the Subordination Agent shall request a final drawing (a Final Drawing) under the Liquidity Facility in an amount equal to the then Maximum Available Commitment thereunder. The Subordination Agent will hold the proceeds of the Final Drawing in the Cash Collateral Account as cash collateral to be used for the same purposes and under the same circumstances, and subject to the same conditions, as cash payments of Interest Drawings under the Liquidity Facility would be used. (Liquidity Facility, Section 2.02(d); Intercreditor Agreement, Section 3.6(i))

Drawings under the Liquidity Facility will be made by delivery by the Subordination Agent of a certificate in the form required by the Liquidity Facility. Upon receipt of such a certificate, the Liquidity Provider is obligated to make payment of the drawing requested thereby in immediately available funds. Upon payment by the Liquidity Provider of the amount specified in any drawing under the Liquidity Facility, the Liquidity Provider will be fully discharged of its obligations under the Liquidity Facility with respect to such drawing and will not thereafter be obligated to make any further payments under the Liquidity Facility in respect of such drawing to the Subordination Agent or any other person.

Reimbursement of Drawings

The Subordination Agent must reimburse amounts drawn under the Liquidity Facility by reason of an Interest Drawing, Final Drawing, Downgrade Drawing or Non-Extension Drawing and interest thereon, but only to the extent that the Subordination Agent has funds available therefor.

Interest Drawings and Final Drawings

Amounts drawn by reason of an Interest Drawing or Final Drawing under the Liquidity Facility will be immediately due and payable, together with interest on the amount of such drawing. From the date of the drawing to (but excluding) the third business day following the Liquidity Provider s receipt of the notice of such Interest Drawing, interest will accrue at the Base Rate plus 2.75% per annum. Thereafter, interest will accrue at LIBOR for the applicable interest period plus 2.75% per annum. In the case of the Final Drawing, however, the Subordination Agent may convert the Final Drawing into a drawing bearing interest at the Base Rate plus 2.75% per annum on the last day of an interest period for such Drawing.

Base Rate means a fluctuating interest rate per annum in effect from time to time, which rate per annum shall at all times be equal to (a) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a business day, for the next preceding business day) by the Federal Reserve Bank of New York, or if such rate is not so published for any day that is a business day, the average of the quotations for such day for such transactions received by the Liquidity Provider from three Federal funds brokers of recognized standing selected by it, plus (b) one-quarter of one percent (1/4 of 1%).

LIBOR means, with respect to any interest period, (i) the rate per annum appearing on display page 3750 (British Bankers Association LIBOR) of the Telerate Service (or any successor or substitute therefor) at approximately 11:00 A.M. (London time) two business days before the first day of such interest period, as the rate for dollar deposits with a maturity comparable to such interest period, or (ii) if the rate calculated pursuant to clause (i) above is not available, the average (rounded upwards, if necessary, to the next 1/16 of 1%) of the rates per annum at which deposits in dollars are offered for the relevant interest period by three banks of recognized standing selected by the Liquidity Provider in the London interbank market at approximately 11:00 A.M. (London time) two business days before the first day of such interest period in an amount approximately equal to the principal amount of the LIBOR Advance to which such interest period is to apply and for a period comparable to such interest period.

Downgrade Drawings and Non-Extension Drawings

The amount drawn under the Liquidity Facility by reason of a Downgrade Drawing or a Non-Extension Drawing will be treated as follows:

Such amount will be released on any Distribution Date to the Liquidity Provider to the extent that such amount exceeds the Required Amount.

Any portion of such amount withdrawn from the Cash Collateral Account to pay interest on the Certificates will be treated in the same way as Interest Drawings.

The balance of such amount will be invested in certain specified eligible investments.

Any Downgrade Drawing, other than any portion thereof applied to the payment of interest on the Certificates, will bear interest (x) subject to clause (y) below, at a rate equal to LIBOR for the applicable interest period plus a specified margin on the outstanding amount from time to time of such Downgrade Drawing and (y) from and after the date, if any, on which it is converted into a Final Drawing as described below under Liquidity Events of Default , at a rate equal to LIBOR for the applicable interest period (or, as described in the first paragraph under Interest Drawings and Final Drawings , the Base Rate) plus 2.75% per annum.

Any Non-Extension Drawing, other than any portion thereof applied to the payment of interest on the Certificates, will bear interest (x) subject to clause (y) below, at a rate equal to LIBOR for the applicable interest period plus a specified margin on the outstanding amount from time to time of such Non-Extension Drawing and (y) from and after the date, if any, on which it is converted into a Final Drawing as described below under Liquidity Events of Default , at a rate equal to LIBOR for the applicable interest period (or, as described in the first paragraph under Interest Drawings and Final Drawings , the Base Rate) plus 2.75% per annum.

Liquidity Events of Default

Events of Default under the Liquidity Facility (each, a Liquidity Event of Default) will consist of:

The acceleration of all the Equipment Notes (provided, that if such acceleration occurs during the Delivery Period, the aggregate principal amount thereof exceeds $200 million).

Certain bankruptcy or similar events involving Continental. (Liquidity Facility, Section 1.01)

If (i) any Liquidity Event of Default has occurred and is continuing and (ii) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes, the Liquidity Provider may, in its discretion, give a notice of termination of the Liquidity Facility (a Termination Notice). The Termination Notice will have the following consequences:

The Liquidity Facility will expire on the fifth Business Day after the date on which such Termination Notice is received by the Subordination Agent.

The Subordination Agent will promptly request, and the Liquidity Provider will make, a Final Drawing thereunder in an amount equal to the then Maximum Available Commitment thereunder.

Any Drawing remaining unreimbursed as of the date of termination will be automatically converted into a Final Drawing.

All amounts owing to the Liquidity Provider automatically will be accelerated.

Notwithstanding the foregoing, the Subordination Agent will be obligated to pay amounts owing to the Liquidity Provider only to the extent of funds available therefor after giving effect to the payments in accordance with the provisions set forth under Description of the Intercreditor Agreement Priority of Distributions . (Liquidity Facility, Section 6.01) Upon the circumstances described below under Description of the Intercreditor Agreement Intercreditor Rights , a liquidity provider may become the Controlling Party with respect to the exercise of remedies under the Indentures. (Intercreditor Agreement, Section 2.6(c))

Liquidity Provider

The initial liquidity provider for the Certificates will be Citibank, N.A. Citibank, N.A. has a short-term unsecured debt rating of P-1 from Moody s and a short-term issuer credit rating of A-1+ from Standard & Poor s.

DESCRIPTION OF THE INTERCREDITOR AGREEMENT

The following summary describes the material provisions of the Intercreditor Agreement (the Intercreditor Agreement) among the Trustee, the Liquidity Provider and Wilmington Trust Company, as subordination agent (the Subordination Agent). The summary supplements (and, to the extent inconsistent therewith, replaces) the description of the general terms and provisions relating to the Intercreditor Agreement set forth in the Prospectus. The summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Intercreditor Agreement, which will be filed as an exhibit to a Current Report on Form 8-K to be filed by Continental with the Commission.

Intercreditor Rights

Controlling Party

Each Loan Trustee will be directed in taking, or refraining from taking, any action thereunder or with respect to the Equipment Notes issued under such Indenture, by the holders of at least a majority of the outstanding principal amount of the Equipment Notes issued under such Indenture, so long as no Indenture Default (which has not been cured by the applicable Owner Trustee or Owner Participant) shall have occurred and be continuing thereunder. For so long as the Subordination Agent is the registered holder of the Equipment Notes, the Subordination Agent will act with respect to the preceding sentence in accordance with the directions of the Trustee for whom the Equipment Notes issued under such Indenture are held as Trust Property, to the extent constituting, in the aggregate, directions with respect to the required principal amount of Equipment Notes.

After the occurrence and during the continuance of an Indenture Default under such Indenture (which has not been cured by the applicable Owner Trustee or Owner Participant), each Loan Trustee will be directed in taking, or refraining from taking, any action thereunder or with respect to the Equipment Notes issued under the related Indenture, including acceleration of such Equipment Notes or foreclosing the lien on the related Aircraft, by the Controlling Party, subject to the limitations described below. See Description of the Certificates Indenture Defaults and Certain Rights Upon an Indenture Default for a description of the rights of the Certificateholders to direct the Trustee.

The Controlling Party will be:

The Trustee.

Under certain circumstances, and notwithstanding the foregoing, the Liquidity Provider, as discussed in the next paragraph.

At any time after 18 months from the earlier to occur of (x) the date on which the entire available amount under the Liquidity Facility shall have been drawn (for any reason other than a Downgrade Drawing or a Non-Extension Drawing) and remain unreimbursed, (y) the date on which the entire amount of any Downgrade Drawing or Non-Extension Drawing shall have been withdrawn from the relevant Cash Collateral Account to pay interest on the Certificates and remain unreimbursed and (z) the date on which all Equipment Notes shall have been accelerated (provided that if such acceleration occurs prior to the Delivery Period Termination Date, the aggregate principal amount thereof exceeds $200 million), the Liquidity Provider shall have the right to become the Controlling Party with respect to any Indenture.

For purposes of giving effect to the rights of the Controlling Party, the Trustee shall irrevocably agree, and the Certificateholders will be deemed to agree by virtue of their purchase of Certificates, that the Subordination Agent, as record holder of the Equipment Notes, shall exercise its voting rights in respect of the Equipment Notes as directed by the Liquidity Provider if the Liquidity Provider is the Controlling Party. (Intercreditor Agreement, Section 2.6) For a description of certain limitations on the Controlling Party s rights to exercise remedies, see Description of the Equipment Notes Remedies .

Sale of Equipment Notes or Aircraft

Upon the occurrence and during the continuation of any Indenture Default under any Indenture, the Controlling Party may accelerate and sell all (but not less than all) of the Equipment Notes issued under such Indenture or the Aircraft subject to the lien of such Indenture, in either case, to any person.

Priority of Distributions

Before a Triggering Event

So long as no Triggering Event shall have occurred (whether or not continuing), all payments in respect of the Equipment Notes and certain other payments received on any Distribution Date will be promptly distributed by the Subordination Agent on such Distribution Date in the following order of priority:

To the Liquidity Provider to the extent required to pay the Liquidity Expenses.

To the Liquidity Provider to the extent required to pay interest accrued on the Liquidity Obligations.

To the Liquidity Provider to the extent required to pay or reimburse the Liquidity Provider for certain Liquidity Obligations (other than amounts payable pursuant to the two preceding clauses) and/or, if applicable, to replenish each Cash Collateral Account up to the Required Amount.

To the Trustee to the extent required to pay Expected Distributions on the Certificates.

To the Subordination Agent and the Trustee for the payment of certain fees and expenses.

Liquidity Obligations means the obligations to reimburse or to pay the Liquidity Provider all principal, interest, fees and other amounts owing to it under the Liquidity Facility or certain other agreements (or such lesser amount as the Liquidity Provider may otherwise agree).

Liquidity Expenses means the Liquidity Obligations other than any interest accrued thereon or the principal amount of any drawing under the Liquidity Facility.

Expected Distributions means, on any Distribution Date (the Current Distribution Date), the sum of (1) accrued and unpaid interest on the Certificates (excluding interest, if any, payable with respect to any Deposits) and (2) the difference between:

(A) the Pool Balance as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates) and

(B) the Pool Balance as of the Current Distribution Date calculated on the basis that (i) the principal of the Equipment Notes has been paid when due (whether at stated maturity, upon redemption, prepayment, purchase, acceleration or otherwise) and such payments have been distributed to the Certificateholders and (ii) the principal of any Equipment Notes formerly held in the Trust that have been sold pursuant to the Intercreditor Agreement has been paid in full and such payments have been distributed to the Certificateholders, but without giving effect to any reduction in the Pool Balance as a result of any distribution attributable to Deposits occurring after the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, occurring after the initial issuance of the Certificates).

For purposes of determining the priority of distributions on account of the redemption, purchase or prepayment of all of the Equipment Notes issued pursuant to an Indenture, clause (1) of the definition of Expected Distributions shall be deemed to read as follows: (1) accrued, due and unpaid interest on the Certificates together with (without duplication) accrued and unpaid interest on a portion of the Certificates equal to the outstanding principal amount of the Equipment Notes and being redeemed, purchased or prepaid (immediately prior to such redemption, purchase or prepayment), in each case excluding interest, if any, payable with respect to any Deposits .

After a Triggering Event

Subject to the terms of the Intercreditor Agreement, upon the occurrence of a Triggering Event and at all times thereafter, all funds received by the Subordination Agent in respect of the Equipment Notes and certain other payments will be promptly distributed by the Subordination Agent in the following order of priority:

To the Subordination Agent, the Trustee, any Certificateholder and the Liquidity Provider to the extent required to pay certain out-of-pocket costs and expenses actually incurred by the Subordination Agent or the Trustee or to reimburse any Certificateholder or the Liquidity Provider in respect of payments made to the Subordination Agent or the Trustee in connection with the protection or realization of the value of the Equipment Notes or any Trust Indenture Estate under (and as defined in any Indenture) (collectively, the Administration Expenses).

To the Liquidity Provider to the extent required to pay the Liquidity Expenses.

To the Liquidity Provider to the extent required to pay interest accrued on the Liquidity Obligations.

To the Liquidity Provider to the extent required to pay the outstanding amount of all Liquidity Obligations and/or, if applicable, with respect to the Liquidity Facility, unless (x) less than 65% of the aggregate outstanding principal amount of all Equipment Notes are Performing Equipment Notes and a Liquidity Event of Default shall have occurred and is continuing or (y) a Final Drawing shall have occurred, to replenish the Cash Collateral Account up to the Required Amount (less the amount of any repayments of Interest Drawings while sub-clause (x) of this clause is applicable).

To the Subordination Agent, the Trustee or any Certificateholder to the extent required to pay certain fees, taxes, charges and other amounts payable.

To the Trustee to the extent required to pay Triggering Event Distributions on the Certificates.

Triggering Event Distributions means, on any Current Distribution Date, the sum of (x) the aggregate amount of all accrued and unpaid interest on the Certificates (excluding interest, if any, payable with respect to any Deposits) and (y) the Pool Balance as of the immediately preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the original aggregate face amount of the Certificates) (less the amount of the Deposits as of such preceding Distribution Date (or, if the Current Distribution Date is the first Distribution Date, the Issuance Date) other than any portion of such Deposits thereafter used to acquire Equipment Notes pursuant to the Note Purchase Agreement).

For purposes of calculating Expected Distributions or Triggering Event Distributions, any premium paid on the Equipment Notes that has not been distributed to the Certificateholders (other than such premium or a portion thereof applied to the payment of interest on the Certificates or the reduction of the Pool Balance) shall be added to the amount of Expected Distributions or Triggering Event Distributions.

After a Triggering Event occurs and any Equipment Note ceases to be a Performing Equipment Note, the Subordination Agent shall obtain LTV Appraisals of all of the Aircraft as soon as practicable and additional LTV Appraisals on or prior to each anniversary of the date of such initial LTV Appraisals; provided that if the Controlling Party reasonably objects to the appraised value of the Aircraft shown in such LTV Appraisals, the Controlling Party shall have the right to obtain or cause to be obtained substitute LTV Appraisals (including LTV Appraisals based upon physical inspection of such Aircraft).

LTV Appraisal means a current fair market value appraisal (which may be a desk-top appraisal) performed by any Appraiser or any other nationally recognized appraiser on the basis of an arm s-length transaction between an informed and willing purchaser under no compulsion to buy and an informed and willing seller under no compulsion to sell and both having knowledge of all relevant facts.

Interest Drawings under the Liquidity Facility and withdrawals from the Cash Collateral Account, in each case in respect of interest on the Certificates, will be distributed to the Trustee, notwithstanding the priority of distributions set forth in the Intercreditor Agreement and otherwise described herein. All amounts on deposit in the Cash Collateral Account that are in excess of the Required Amount will be paid to the Liquidity Provider.

Voting of Equipment Notes

In the event that the Subordination Agent, as the registered holder of any Equipment Note, receives a request for its consent to any amendment, modification, consent or waiver under such Equipment Note or the related Indenture (or, if applicable, the related Lease, the related Participation Agreement or other related document), (i) if no Indenture Default shall have occurred and be continuing with respect to such Indenture, the Subordination Agent shall request instructions from the Trustee and shall vote or consent in accordance with the directions of the Trustee and (ii) if any Indenture Default (which has not been cured by the applicable Owner Trustee or Owner Participant) shall have occurred and be continuing with respect to such Indenture, the Subordination Agent will exercise its voting rights as directed by the Controlling Party, subject to certain limitations; provided that no such amendment, modification, consent or waiver shall, without the consent of the Liquidity Provider, reduce the amount of rent, supplemental rent or stipulated loss values payable by Continental under any Lease. (Intercreditor Agreement, Section 9.1(b))

The Subordination Agent

Wilmington Trust Company will be the Subordination Agent under the Intercreditor Agreement. Continental and its affiliates may from time to time enter into banking and trustee relationships with the Subordination Agent and its affiliates. The Subordination Agent s address is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001, Attention: Corporate Trust Administration.

The Subordination Agent may resign at any time, in which event a successor Subordination Agent will be appointed as provided in the Intercreditor Agreement. The Controlling Party may remove the Subordination Agent for cause as provided in the Intercreditor Agreement. In such circumstances, a successor Subordination Agent will be appointed as provided in the Intercreditor Agreement. Any resignation or removal of the Subordination Agent and appointment of a successor Subordination Agent does not become effective until acceptance of the appointment by the successor Subordination Agent. (Intercreditor Agreement, Section 8.1)

DESCRIPTION OF THE AIRCRAFT AND THE APPRAISALS

The Aircraft

The Aircraft consist of 36 Embraer EMB-145XR aircraft (collectively, the Aircraft) newly delivered to Continental by Embraer during 2003 (except for the Aircraft with manufacturer s serial numbers 145761 and 145772, which are expected to be newly delivered in December 2003). The Aircraft are 50-seat, twin-turbofan jetliners powered by two Allison AE3007A1E engines.

All of the Aircraft (except for the Aircraft with manufacturer s serial numbers 145761 and 145772) are currently owned by owner trusts beneficially owned by Refine, an affiliate of Embraer, and leased on an interim basis by Continental and subleased by ExpressJet. Pursuant to the leveraged leases to be entered into in connection with the Offering, the Aircraft will be leased to Continental and subleased to ExpressJet. The subleases are not included in the security for the Equipment Notes and may be modified or terminated at any time without notice to or the consent of the Certificateholders. The subleases will be subject and subordinate to the leases with Continental. Refine will be the initial Owner Participant under the leveraged lease transactions. See Description of the Equipment Notes The Leases Owner Participant .

The Appraisals

The table below sets forth the appraised values of the Aircraft, as determined by Aviation Specialists Group (ASG), AvSolutions (AVS) and BK Associates (BK), independent aircraft appraisal and consulting firms (the Appraisers), and as set forth in their appraisal reports, dated as of November 21, 2003, November 23, 2003 and November 20, 2003, respectively.

Aircraft Registration Number	Manufacturer s Serial Number	Aircraft Delivery Month(1)	Appraiser s Valuations			Appraised Value(2)
			ASG	AVS	BK	
N11119	145677	January 2003	$19,000,000	$20,440,000	$19,420,000	$19,420,000
N18120	145681	January 2003	19,000,000	20,440,000	19,420,000	19,420,000
N11121	145683	January 2003	19,000,000	20,440,000	19,420,000	19,420,000
N12122	145684	January 2003	19,000,000	20,440,000	19,420,000	19,420,000
N13123	145688	February 2003	19,000,000	20,510,000	19,490,000	19,490,000
N13124	145689	February 2003	19,000,000	20,510,000	19,490,000	19,490,000
N14125	145690	February 2003	19,000,000	20,510,000	19,490,000	19,490,000
N12126	145693	February 2003	19,000,000	20,510,000	19,490,000	19,490,000
N11127	145697	March 2003	19,000,000	20,590,000	19,560,000	19,560,000
N24128	145700	March 2003	19,000,000	20,590,000	19,560,000	19,560,000
N21129	145703	March 2003	19,000,000	20,590,000	19,560,000	19,560,000
N21130	145704	March 2003	19,000,000	20,590,000	19,560,000	19,560,000
N31131	145705	April 2003	19,300,000	20,660,000	19,630,000	19,630,000
N13132	145708	April 2003	19,300,000	20,660,000	19,630,000	19,630,000
N13133	145712	April 2003	19,300,000	20,660,000	19,630,000	19,630,000
N25134	145714	April 2003	19,300,000	20,660,000	19,630,000	19,630,000
N12135	145718	May 2003	19,300,000	20,730,000	19,760,000	19,760,000
N12136	145719	May 2003	19,300,000	20,730,000	19,760,000	19,760,000
N11137	145721	May 2003	19,300,000	20,730,000	19,760,000	19,760,000
N17138	145727	May 2003	19,300,000	20,730,000	19,760,000	19,760,000
N23139	145731	June 2003	19,300,000	20,810,000	19,830,000	19,830,000
N11140	145732	June 2003	19,300,000	20,810,000	19,830,000	19,830,000
N26141	145733	June 2003	19,300,000	20,810,000	19,830,000	19,830,000
N12142	145735	June 2003	19,300,000	20,810,000	19,830,000	19,830,000
N14143	145739	July 2003	19,600,000	20,880,000	19,900,000	19,900,000

Aircraft Registration Number	Manufacturer s Serial Number	Aircraft Delivery Month(1)	Appraiser s Valuations			Appraised Value(2)
			ASG	AVS	BK	
N21144	145741	July 2003	$19,600,000	$20,880,000	$19,900,000	$19,900,000
N12145	145745	August 2003	19,600,000	20,960,000	20,030,000	20,030,000
N17146	145746	August 2003	19,600,000	20,960,000	20,030,000	20,030,000
N16147	145749	September 2003	19,600,000	21,030,000	20,100,000	20,100,000
N14148	145751	September 2003	19,600,000	21,030,000	20,100,000	20,100,000
N16149	145753	October 2003	19,600,000	21,080,000	20,170,000	20,170,000
N11150	145756	October 2003	19,600,000	21,080,000	20,170,000	20,170,000
N16151	145758	November 2003	19,600,000	21,120,000	20,250,000	20,250,000
N27152	145759	November 2003	19,600,000	21,120,000	20,250,000	20,250,000
N14153	145761	December 2003	19,900,000	21,170,000	20,250,000	20,250,000
N21154	145772	December 2003	19,900,000	21,170,000	20,250,000	20,250,000

(1) The Aircraft with manufacturer s serial numbers 145761 and 145772 have not been delivered. These aircraft are expected to be delivered in December 2003. The actual delivery date for these aircraft may be subject to delay. See Deliveries of Aircraft .

(2) The appraised value of each Aircraft for purposes of this Offering is the lesser of the average and median values of such Aircraft as appraised by the Appraisers.

For purposes of the foregoing chart, ASG, AVS and BK each was asked to provide its opinion as to the appraised value of each aircraft (in the case of the Aircraft with manufacturer s serial numbers 145761 and 145772, projected as of the scheduled delivery month of such Aircraft). As part of this process, all three Appraisers performed desk-top appraisals without any physical inspection of the Aircraft. The appraisals are based on various assumptions and methodologies, which vary among the appraisals. The Appraisers have delivered letters summarizing their respective appraisals, copies of which are annexed to this Prospectus Supplement as Appendix II. For a discussion of the assumptions and methodologies used in each of the appraisals, reference is hereby made to such summaries.

An appraisal is only an estimate of value. It is not indicative of the price at which an aircraft may be purchased from the manufacturer. Nor should it 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. The value of the Aircraft in the event of the exercise of remedies under the applicable Indenture will depend on market and economic conditions, the availability of buyers, the condition of the Aircraft and other similar factors. Accordingly, there can be no assurance that the proceeds realized upon any such exercise with respect to the Equipment Notes and the Aircraft pursuant to the applicable Indenture would equal the appraised value of such Aircraft or be sufficient to satisfy in full payments due on such Equipment Notes or the Certificates.

Deliveries of Aircraft

The Aircraft were newly delivered to Continental by Embraer during 2003, except for the Aircraft with manufacturer s serial numbers 145761 and 145772, which are scheduled for delivery under Continental s purchase agreement with Embraer in December 2003. Under such purchase agreement, delivery of an aircraft may be delayed due to Excusable Delays , which are defined to mean any event or occurrence beyond Embraer s control or not occasioned by Embraer s fault or negligence.

The Note Purchase Agreement provides that the delivery period (the Delivery Period) will expire on January 31, 2004, provided that if a labor strike occurs at Embraer prior to the scheduled expiration of the Delivery Period, the expiration date of the Delivery Period will be extended by the number of days that such strike continued in effect.

If delivery of any Aircraft is delayed beyond January 31, 2004, Continental has the right to replace such Aircraft with a Substitute Aircraft, subject to certain conditions. See Substitute Aircraft . If delivery of any Aircraft is delayed beyond the Delivery Period Termination Date and Continental does not exercise its right to replace such Aircraft with a Substitute Aircraft, there will be unused Deposits that will be distributed to Certificateholders together with accrued and unpaid interest thereon but without a premium. See Description of the Deposit Agreement Unused Deposits .

Substitute Aircraft

If the delivery date for any Aircraft is delayed beyond January 31, 2004, Continental may identify for delivery a substitute aircraft (each, together with the substitute aircraft referred to below, a Substitute Aircraft) therefor meeting the following conditions:

A Substitute Aircraft must be an EMB-145XR aircraft manufactured after the Issuance Date.

A Substitute Aircraft may be substituted for an Aircraft so long as after giving effect thereto the principal amount of Equipment Notes issued in respect of the Substitute Aircraft under the Mandatory Economic Terms would be the same as the principal amount of the Equipment Notes that could have been issued under the Mandatory Economic Terms in respect of the replaced Aircraft.

Continental will be obligated to obtain written confirmation from each Rating Agency that substituting such Substitute Aircraft for the replaced Aircraft will not result in a withdrawal, suspension or downgrading of the ratings of the Certificates.

DESCRIPTION OF THE EQUIPMENT NOTES

The following summary describes the material terms of the Equipment Notes and supplements (and, to the extent inconsistent therewith, replaces) the description of the general terms and provisions relating to the Equipment Notes, the Indentures, the Leases, the Participation Agreements, the trust agreements under which the Owner Trustees act on behalf of the Owner Participants (the Trust Agreements) and the Note Purchase Agreement set forth in the Prospectus. The summaries make use of terms defined in and are qualified in their entirety by reference to all of the provisions of the Equipment Notes, the Indentures, the Leases, the Participation Agreements, the Trust Agreements and the Note Purchase Agreement, forms of 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 summaries relate to the Equipment Notes, the Indenture, the Lease, the Participation Agreement and the Trust Agreement that may be applicable to each Aircraft.

Under the Note Purchase Agreement, Continental will enter into a leveraged lease financing with respect to each Aircraft. The Note Purchase Agreement provides for the relevant parties to enter into a Participation Agreement, a Lease and an Indenture relating to the financing of each Aircraft in the forms of such agreements annexed to the Note Purchase Agreement. Under the Note Purchase Agreement, the terms of such agreements are required not to vary the Mandatory Economic Terms. See Description of the Certificates Obligation to Purchase Equipment Notes .

General

The Equipment Notes with respect to each Aircraft (the Equipment Notes) will be issued under a separate Indenture between Wells Fargo Bank Northwest, National Association, as owner trustee (each, an Owner Trustee) of a trust for the benefit of the Owner Participant who will be the beneficial owner of such Aircraft, and Wilmington Trust Company, as indenture trustee thereunder (each, a Loan Trustee).

The related Owner Trustee will lease each Aircraft to Continental pursuant to a separate Lease between such Owner Trustee and Continental with respect to such Aircraft. Under each Lease, Continental will be obligated to make or cause to be made rental and other payments to the related Loan Trustee on behalf of the related Owner Trustee, which rental and other payments will be at least sufficient to pay in full when due all payments required to be made on the Equipment Notes issued with respect to such Aircraft. The Equipment Notes are not, however, direct obligations of, or guaranteed by, Continental. Continental s rental obligations under each Lease will be general obligations of Continental.

Principal and Interest Payments

Subject to the provisions of the Intercreditor Agreement, interest paid on the Equipment Notes will be passed through to the Certificateholders on the dates and at the rate per annum set forth on the cover page of this Prospectus Supplement until the final expected Regular Distribution Date. Subject to the provisions of the Intercreditor Agreement, principal paid on the Equipment Notes will be passed through to the Certificateholders in scheduled amounts until the final expected Regular Distribution Date for such Trust.

Interest will be payable on the unpaid principal amount of each Equipment Note at the rate per annum applicable to such Equipment Note on January 2 and July 2 of each year, commencing on July 2, 2004. Such interest will be computed on the basis of a 360-day year of twelve 30-day months.

Scheduled principal payments on the Equipment Notes will be made on January 2 and July 2 in certain years. See Description of the Certificates Pool Factors for a discussion of the scheduled payments of principal of the Equipment Notes and possible revisions thereto.

If any date scheduled for a payment of principal, premium (if any) or interest with respect to the Equipment Notes is not a Business Day, such payment will be made on the next succeeding Business Day without any additional interest.

Redemption

If an Event of Loss occurs with respect to an Aircraft and such Aircraft is not replaced by Continental under the related Lease, the Equipment Notes issued with respect to such Aircraft will be redeemed, in whole, in each case at a price equal to the aggregate unpaid principal amount thereof, together with accrued interest thereon to, but not including, the date of redemption, but without premium, on a Special Distribution Date. (Indentures, Section 2.10(a))

If Continental exercises its right to terminate a Lease under Section 9 of such Lease, the Equipment Notes relating to the applicable Aircraft will be redeemed, in whole, on a Special Distribution Date at a price equal to the aggregate unpaid principal amount thereof, together with accrued and unpaid interest thereon to, but not including, the date of redemption, plus, if such redemption is made prior to January 13, 2012 (the Premium Termination Date), a Make-Whole Premium. (Indentures, Section 2.10(b)) See The Leases Lease Termination .

If (x) one or more Lease Events of Default shall have occurred and been continuing, (y) in the event of a bankruptcy proceeding involving Continental, (i) during the Section 1110 Period, the trustee in such proceeding or Continental does not assume or agree to perform its obligations under the related Lease or (ii) at any time after assuming or agreeing to perform such obligations, such trustee or Continental ceases to perform such obligations such that the stay period applicable under the U.S. Bankruptcy Code comes to an end or (z) the Equipment Notes with respect to such Aircraft have been accelerated or the Loan Trustee with respect to such Equipment Notes takes action or notifies the applicable Owner Trustee that it intends to take action to foreclose the lien of the related Indenture or otherwise commence the exercise of any significant remedy under such Indenture or the related Lease, then in each case all, but not less than all, of the Equipment Notes issued with respect to such Aircraft may be purchased by the related Owner Trustee or Owner Participant on the applicable purchase date at a price equal to the aggregate unpaid principal thereof, together with accrued and unpaid interest thereon to, but not including, the date of purchase, but without any premium (provided that a Make-Whole Premium shall be payable if such Equipment Notes are to be purchased pursuant to clause (x) prior to the Premium Termination Date applicable thereto when a Lease Event of Default shall have occurred and been continuing for less than 120 days). (Indentures, Section 2.13)

Make-Whole Premium means an amount (as determined by an independent investment bank of national standing) equal to the excess, if any, of (a) the present value of the remaining scheduled payments of principal and interest to maturity of such Equipment Note computed by discounting such payments on a semiannual basis on each payment date under the applicable Indenture (assuming a 360-day year of twelve 30-day months) using a discount rate equal to the Treasury Yield plus .50% over (b) the outstanding principal amount of such Equipment Note plus accrued interest to the date of determination.

For purposes of determining the Make-Whole Premium, Treasury Yield means, at the date of determination with respect to any Equipment Note, the interest rate (expressed as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note and trading in the public securities markets either as determined by interpolation between the most recent weekly average yield to maturity for two series of United States Treasury securities trading in the public securities markets, (A) one maturing as close as possible to, but earlier than, the Average Life Date of such Equipment Note and (B) the other maturing as close as possible to, but later than, the Average Life Date of such Equipment Note, in each case as published in the most recent H.15(519) or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note is reported in the most recent H.15(519), such weekly average yield to maturity as published in such H.15(519). H.15(519) means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the Federal Reserve System. The date of determination of a Make-Whole Premium shall be the third Business Day prior to the applicable payment or redemption date and the most recent H.15(519) means the H.15(519) published prior to the close of business on the third Business Day prior to the applicable payment or redemption date.

Average Life Date for any Equipment Note shall be the date which follows the time of determination by a period equal to the Remaining Weighted Average Life of such Equipment Note. Remaining Weighted Average Life on a given date with respect to any Equipment Note shall be the number of days equal to the quotient obtained by dividing (a) the sum of each of the products obtained by multiplying (i) the amount of each then remaining scheduled payment of principal of such Equipment Note by (ii) the number of days from and including such determination date to but excluding the date on which such payment of principal is scheduled to be made, by (b) the then outstanding principal amount of such Equipment Note.

Security

Aircraft

The Equipment Notes issued with respect to each Aircraft will be secured by:

An assignment by the related Owner Trustee to the related Loan Trustee of such Owner Trustee s rights, except for certain limited rights, under the Lease with respect to the related Aircraft, including the right to receive payments of rent thereunder.

A mortgage to such Loan Trustee of such Aircraft, subject to the rights of Continental under such Lease.

An assignment to such Loan Trustee of certain of such Owner Trustee s rights under the purchase agreement between Continental and the Aircraft manufacturer.

Unless and until an Indenture Default has occurred and is continuing, the Loan Trustee may not exercise the rights of the Owner Trustee under the related Lease, except the Owner Trustee s right to receive payments of rent due thereunder. The assignment by the Owner Trustee to the Loan Trustee of its rights under the related Lease will exclude certain rights of such Owner Trustee and the related Owner Participant, including the rights of the Owner Trustee and the Owner Participant with respect to indemnification by Continental for certain matters, insurance proceeds payable to such Owner Trustee in its individual capacity or to such Owner Participant under public liability insurance maintained by Continental under such Lease or by such Owner Trustee or such Owner Participant, insurance proceeds payable to such Owner Trustee in its individual capacity or to such Owner Participant under certain casualty insurance maintained by such Owner Trustee or such Owner Participant under such Lease and certain reimbursement payments made by Continental to such Owner Trustee. (Indentures, Granting Clause) The Equipment Notes issued in respect of any one Aircraft will not be secured by any of the other Aircraft or Leases. Accordingly, any excess proceeds from the exercise of remedies with respect to the Equipment Notes relating to an Aircraft will not be available to cover any shortfall with respect to any other Aircraft.

Cash

Cash, if any, held from time to time by the Loan Trustee with respect to any Aircraft, including funds held as the result of an Event of Loss to such Aircraft or termination of the Lease, if any, relating thereto, will be invested and reinvested by such Loan Trustee, at the direction of the related Owner Trustee, in investments described in the related Indenture. (Indentures, Section 5.09)

Loan to Value Ratios of Equipment Notes

The following tables set forth illustrative loan to Aircraft value ratios for the Equipment Notes issued in respect of each Aircraft as of January 2, 2004 and the Regular Distribution Dates thereafter. This example was utilized by Continental in preparing the Assumed Amortization Schedule, although the amortization schedule for the Equipment Notes issued with respect to an Aircraft may vary from such assumed schedule so long as it complies with the Mandatory Economic Terms. Accordingly, the tables set forth below may not be applicable in the case of any particular Aircraft. For example, in the event the final maturity date of the Equipment Notes for an Aircraft were significantly earlier than that shown below, the average life of the Certificates may be correspondingly reduced, subject to compliance with the Mandatory Economic Terms. See Description of the Certificates Pool Factors . The LTV was obtained by dividing (i) the outstanding balance (assuming no payment default) of such Equipment Notes determined immediately after giving effect to the payments scheduled to be made on each such Regular Distribution Date by (ii) the assumed value (the Assumed Aircraft Value) of the Aircraft securing such Equipment Notes. Differences may occur due to rounding.

The Loan to Value Ratio tables are based on the assumption (the Depreciation Assumption) that the value of each Aircraft depreciates on the Regular Distribution Date closest to the anniversary of its delivery by the manufacturer by approximately 3% per year of the initial appraised value at delivery for the first ten years after the delivery of such Aircraft and by approximately 4% per year thereafter. Other rates or methods of depreciation would result in materially different loan to Aircraft value ratios, and no assurance can be given (i) that the depreciation rates and method assumed for the purposes of the table are the ones most likely to occur or (ii) as to the actual future value of any Aircraft. Thus, the table should not be considered a forecast or prediction of expected or likely loan to Aircraft value ratios, but simply a mathematical calculation based on one set of assumptions.

	N11119			N18120		
Date	Equipment Note Outstanding Balance	Assumed Aircraft Value	Loan to Value Ratio	Equipment Note Outstanding Balance	Assumed Aircraft Value	Loan to Value Ratio
	($ millions)	($ millions)		($ millions)	($ millions)	
January 2, 2004	$11.20	$18.84	59.4%	$11.25	$18.84	59.7%
July 2, 2004	11.20	18.84	59.4	11.25	18.84	59.7
January 2, 2005	10.63	18.25	58.2	10.68	18.25	58.5
July 2, 2005	10.04	18.25	55.0	10.09	18.25	55.2
January 2, 2006	9.55	17.67	54.1	9.60	17.67	54.3
July 2, 2006	9.05	17.67	51.2	9.10	17.67	51.5
January 2, 2007	9.03	17.09	52.8	9.08	17.09	53.1
July 2, 2007	9.01	17.09	52.7	9.05	17.09	53.0
January 2, 2008	8.48	16.51	51.4	8.53	16.51	51.6
July 2, 2008	7.94	16.51	48.1	7.98	16.51	48.3
January 2, 2009	7.87	15.92	49.4	7.91	15.92	49.7
July 2, 2009	7.80	15.92	49.0	7.84	15.92	49.2
January 2, 2010	7.23	15.34	47.1	7.27	15.34	47.4
July 2, 2010	6.63	15.34	43.2	6.67	15.34	43.5
January 2, 2011	6.52	14.76	44.1	6.55	14.76	44.4
July 2, 2011	6.39	14.76	43.3	6.43	14.76	43.5
January 2, 2012	5.88	14.18	41.5	5.91	14.18	41.7
July 2, 2012	5.35	14.18	37.7	5.38	14.18	37.9
January 2, 2013	5.06	13.59	37.2	5.09	13.59	37.4
July 2, 2013	4.76	13.59	35.0	4.79	13.59	35.2
January 2, 2014	4.07	12.82	31.7	4.09	12.82	31.9
July 2, 2014	3.35	12.82	26.1	3.37	12.82	26.3
January 2, 2015	3.10	12.04	25.7	3.12	12.04	25.9
July 2, 2015	2.84	12.04	23.6	2.86	12.04	23.7
January 2, 2016	2.07	11.26	18.3	2.08	11.26	18.5
July 2, 2016	1.26	11.26	11.2	1.28	11.26	11.4
January 2, 2017	0.93	10.49	8.9	0.94	10.49	9.0
July 2, 2017	0.58	10.49	5.6	0.59	10.49	5.7
January 2, 2018	0.09	9.71	0.9	0.10	9.71	1.1
July 2, 2018	0.00	0.00	NA	0.00	0.00	NA

[Additional columns below]

[Continued from above table, first column(s) repeated]

	N11121		
Date	Equipment Note Outstanding Balance	Assumed Aircraft Value	Loan to Value Ratio
	($ millions)	($ millions)	
January 2, 2004	$11.19	$18.84	59.4%
July 2, 2004	11.19	18.84	59.4
January 2, 2005	10.62	18.25	58.2
July 2, 2005	10.03	18.25	55.0
January 2, 2006	9.55	17.67	54.1
July 2, 2006	9.05	17.67	51.2
January 2, 2007	9.03	17.09	52.8

July 2, 2007	9.01	17.09	52.7
January 2, 2008	8.49	16.51	51.4
July 2, 2008	7.94	16.51	48.1
January 2, 2009	7.88	15.92	49.5
July 2, 2009	7.81	15.92	49.0
January 2, 2010	7.24	15.34	47.2
July 2, 2010	6.65	15.34	43.3
January 2, 2011	6.53	14.76	44.2
July 2, 2011	6.41	14.76	43.4
January 2, 2012	5.90	14.18	41.6
July 2, 2012	5.37	14.18	37.9
January 2, 2013	5.08	13.59	37.4
July 2, 2013	4.79	13.59	35.2
January 2, 2014	4.10	12.82	32.0
July 2, 2014	3.38	12.82	26.4
January 2, 2015	3.13	12.04	26.0
July 2, 2015	2.87	12.04	23.9
January 2, 2016	2.10	11.26	18.7
July 2, 2016	1.31	11.26	11.6
January 2, 2017	0.98	10.49	9.3
July 2, 2017	0.63	10.49	6.0
January 2, 2018	0.18	9.71	1.9
July 2, 2018	0.00	0.00	NA

Date	N12122 Equipment Note Outstanding Balance	N12122 Assumed Aircraft Value	N12122 Loan to Value Ratio	N13123 Equipment Note Outstanding Balance	N13123 Assumed Aircraft Value	N13123 Loan to Value Ratio
	($ millions)	($ millions)		($ millions)	($ millions)	
January 2, 2004	$11.19	$18.84	59.4%	$10.97	$18.91	58.1%
July 2, 2004	11.19	18.84	59.4	10.97	18.91	58.1
January 2, 2005	10.62	18.25	58.2	10.42	18.32	56.9
July 2, 2005	10.03	18.25	55.0	9.84	18.32	53.7
January 2, 2006	9.55	17.67	54.1	9.37	17.74	52.8
July 2, 2006	9.05	17.67	51.2	8.87	17.74	50.0
January 2, 2007	9.03	17.09	52.8	8.86	17.15	51.6
July 2, 2007	9.01	17.09	52.7	8.84	17.15	51.5
January 2, 2008	8.49	16.51	51.4	8.32	16.57	50.3
July 2, 2008	7.94	16.51	48.1	7.79	16.57	47.0
January 2, 2009	7.88	15.92	49.5	7.73	15.98	48.4
July 2, 2009	7.81	15.92	49.0	7.67	15.98	48.0
January 2, 2010	7.24	15.34	47.2	7.11	15.40	46.1
July 2, 2010	6.65	15.34	43.3	6.52	15.40	42.3
January 2, 2011	6.53	14.76	44.2	6.41	14.81	43.3
July 2, 2011	6.41	14.76	43.4	6.30	14.81	42.5
January 2, 2012	5.90	14.18	41.6	5.81	14.23	40.8
July 2, 2012	5.37	14.18	37.9	5.29	14.23	37.2
January 2, 2013	5.08	13.59	37.4	5.01	13.64	36.7
July 2, 2013	4.79	13.59	35.2	4.71	13.64	34.6
January 2, 2014	4.10	12.82	32.0	4.04	12.86	31.4
July 2, 2014	3.38	12.82	26.4	3.34	12.86	26.0
January 2, 2015	3.13	12.04	26.0	3.10	12.08	25.6
July 2, 2015	2.87	12.04	23.9	2.84	12.08	23.5
January 2, 2016	2.10	11.26	18.7	2.09	11.30	18.5
July 2, 2016	1.31	11.26	11.6	1.30	11.30	11.5
January 2, 2017	0.98	10.49	9.3	0.98	10.52	9.3
July 2, 2017	0.63	10.49	6.0	0.65	10.52	6.2
January 2, 2018	0.18	9.71	1.9	0.13	9.75	1.3
July 2, 2018	0.00	0.00	NA	0.00	0.00	NA

[Additional columns below]

[Continued from above table, first column(s) repeated]

Date	N13124 Equipment Note Outstanding Balance	N13124 Assumed Aircraft Value	N13124 Loan to Value Ratio
	($ millions)	($ millions)	
January 2, 2004	$10.98	$18.91	58.1%
July 2, 2004	10.98	18.91	58.1
January 2, 2005	10.43	18.32	56.9
July 2, 2005	9.85	18.32	53.8
January 2, 2006	9.37	17.74	52.9
July 2, 2006	8.88	17.74	50.1
January 2, 2007	8.86	17.15	51.7

July 2, 2007	8.85	17.15	51.6
January 2, 2008	8.33	16.57	50.3
July 2, 2008	7.79	16.57	47.0
January 2, 2009	7.74	15.98	48.4
July 2, 2009	7.67	15.98	48.0
January 2, 2010	7.11	15.40	46.2
July 2, 2010	6.53	15.40	42.4
January 2, 2011	6.42	14.81	43.3
July 2, 2011	6.30	14.81	42.5
January 2, 2012	5.81	14.23	40.8
July 2, 2012	5.30	14.23	37.2
January 2, 2013	5.01	13.64	36.8
July 2, 2013	4.72	13.64	34.6
January 2, 2014	4.05	12.86	31.5
July 2, 2014	3.35	12.86	26.0
January 2, 2015	3.10	12.08	25.7
July 2, 2015	2.85	12.08	23.5
January 2, 2016	2.09	11.30	18.5
July 2, 2016	1.30	11.30	11.5
January 2, 2017	0.98	10.52	9.4
July 2, 2017	0.65	10.52	6.2
January 2, 2018	0.13	9.75	1.3
July 2, 2018	0.00	0.00	NA

Date	N14125 Equipment Note Outstanding Balance	N14125 Assumed Aircraft Value	N14125 Loan to Value Ratio	N12126 Equipment Note Outstanding Balance	N12126 Assumed Aircraft Value	N12126 Loan to Value Ratio
	($ millions)	($ millions)		($ millions)	($ millions)	
January 2, 2004	$10.98	$18.91	58.1%	$10.98	$18.91	58.1%
July 2, 2004	10.98	18.91	58.1	10.98	18.91	58.1
January 2, 2005	10.42	18.32	56.9	10.42	18.32	56.9
July 2, 2005	9.85	18.32	53.7	9.85	18.32	53.7
January 2, 2006	9.37	17.74	52.8	9.37	17.74	52.8
July 2, 2006	8.88	17.74	50.0	8.88	17.74	50.0
January 2, 2007	8.86	17.15	51.7	8.86	17.15	51.7
July 2, 2007	8.85	17.15	51.6	8.85	17.15	51.6
January 2, 2008	8.33	16.57	50.3	8.33	16.57	50.3
July 2, 2008	7.79	16.57	47.1	7.79	16.57	47.1
January 2, 2009	7.74	15.98	48.4	7.74	15.98	48.4
July 2, 2009	7.68	15.98	48.0	7.68	15.98	48.0
January 2, 2010	7.11	15.40	46.2	7.11	15.40	46.2
July 2, 2010	6.53	15.40	42.4	6.53	15.40	42.4
January 2, 2011	6.42	14.81	43.4	6.42	14.81	43.4
July 2, 2011	6.31	14.81	42.6	6.31	14.81	42.6
January 2, 2012	5.82	14.23	40.9	5.82	14.23	40.9
July 2, 2012	5.31	14.23	37.3	5.31	14.23	37.3
January 2, 2013	5.02	13.64	36.8	5.02	13.64	36.8
July 2, 2013	4.73	13.64	34.7	4.73	13.64	34.7
January 2, 2014	4.06	12.86	31.6	4.06	12.86	31.6
July 2, 2014	3.36	12.86	26.1	3.36	12.86	26.1
January 2, 2015	3.12	12.08	25.8	3.12	12.08	25.8
July 2, 2015	2.86	12.08	23.7	2.86	12.08	23.7
January 2, 2016	2.11	11.30	18.6	2.11	11.30	18.6
July 2, 2016	1.32	11.30	11.7	1.32	11.30	11.7
January 2, 2017	1.01	10.52	9.6	1.01	10.52	9.6
July 2, 2017	0.68	10.52	6.4	0.68	10.52	6.4
January 2, 2018	0.17	9.75	1.8	0.17	9.75	1.8
July 2, 2018	0.00	0.00	NA	0.00	0.00	NA

[Additional columns below]

[Continued from above table, first column(s) repeated]

Date	N11127 Equipment Note Outstanding Balance	N11127 Assumed Aircraft Value	N11127 Loan to Value Ratio
	($ millions)	($ millions)	
January 2, 2004	$10.95	$18.97	57.7%
July 2, 2004	10.95	18.97	57.7
January 2, 2005	10.40	18.39	56.6
July 2, 2005	9.83	18.39	53.5
January 2, 2006	9.36	17.80	52.6
July 2, 2006	8.87	17.80	49.8
January 2, 2007	8.86	17.21	51.5

July 2, 2007	8.85	17.21	51.4
January 2, 2008	8.34	16.63	50.1
July 2, 2008	7.81	16.63	47.0
January 2, 2009	7.75	16.04	48.3
July 2, 2009	7.70	16.04	48.0
January 2, 2010	7.14	15.45	46.2
July 2, 2010	6.56	15.45	42.5
January 2, 2011	6.46	14.87	43.5
July 2, 2011	6.35	14.87	42.7
January 2, 2012	5.87	14.28	41.1
July 2, 2012	5.37	14.28	37.6
January 2, 2013	5.09	13.69	37.2
July 2, 2013	4.80	13.69	35.1
January 2, 2014	4.14	12.91	32.1
July 2, 2014	3.46	12.91	26.8
January 2, 2015	3.22	12.13	26.5
July 2, 2015	2.97	12.13	24.5
January 2, 2016	2.22	11.34	19.6
July 2, 2016	1.44	11.34	12.7
January 2, 2017	1.14	10.56	10.8
July 2, 2017	0.82	10.56	7.7
January 2, 2018	0.31	9.78	3.1
July 2, 2018	0.00	0.00	NA

Date	N24128 Equipment Note Outstanding Balance	N24128 Assumed Aircraft Value	N24128 Loan to Value Ratio	N21129 Equipment Note Outstanding Balance	N21129 Assumed Aircraft Value	N21129 Loan to Value Ratio
	($ millions)	($ millions)		($ millions)	($ millions)	
January 2, 2004	$10.95	$18.97	57.7%	$11.16	$18.97	58.8%
July 2, 2004	10.95	18.97	57.7	11.16	18.97	58.8
January 2, 2005	10.40	18.39	56.6	10.60	18.39	57.7
July 2, 2005	9.83	18.39	53.5	10.02	18.39	54.5
January 2, 2006	9.36	17.80	52.6	9.54	17.80	53.6
July 2, 2006	8.87	17.80	49.8	9.05	17.80	50.8
January 2, 2007	8.86	17.21	51.5	9.03	17.21	52.5
July 2, 2007	8.85	17.21	51.4	9.02	17.21	52.4
January 2, 2008	8.34	16.63	50.1	8.50	16.63	51.1
July 2, 2008	7.81	16.63	47.0	7.96	16.63	47.9
January 2, 2009	7.75	16.04	48.3	7.91	16.04	49.3
July 2, 2009	7.70	16.04	48.0	7.85	16.04	48.9
January 2, 2010	7.14	15.45	46.2	7.28	15.45	47.1
July 2, 2010	6.56	15.45	42.5	6.70	15.45	43.3
January 2, 2011	6.46	14.87	43.5	6.59	14.87	44.3
July 2, 2011	6.35	14.87	42.7	6.47	14.87	43.5
January 2, 2012	5.87	14.28	41.1	5.98	14.28	41.9
July 2, 2012	5.37	14.28	37.6	5.48	14.28	38.4
January 2, 2013	5.09	13.69	37.2	5.19	13.69	37.9
July 2, 2013	4.80	13.69	35.1	4.89	13.69	35.7
January 2, 2014	4.14	12.91	32.1	4.22	12.91	32.7
July 2, 2014	3.46	12.91	26.8	3.52	12.91	27.3
January 2, 2015	3.22	12.13	26.5	3.27	12.13	27.0
July 2, 2015	2.97	12.13	24.5	3.02	12.13	24.9
January 2, 2016	2.22	11.34	19.6	2.26	11.34	19.9
July 2, 2016	1.44	11.34	12.7	1.47	11.34	13.0
January 2, 2017	1.14	10.56	10.8	1.16	10.56	10.9
July 2, 2017	0.82	10.56	7.7	0.83	10.56	7.8
January 2, 2018	0.31	9.78	3.1	0.32	9.78	3.2
July 2, 2018	0.00	0.00	NA	0.00	0.00	NA

[Additional columns below]

[Continued from above table, first column(s) repeated]

Date	N21130 Equipment Note Outstanding Balance	N21130 Assumed Aircraft Value	N21130 Loan to Value Ratio
	($ millions)	($ millions)	
January 2, 2004	$11.16	$18.97	58.8%
July 2, 2004	11.16	18.97	58.8
January 2, 2005	10.60	18.39	57.7
July 2, 2005	10.02	18.39	54.5
January 2, 2006	9.54	17.80	53.6
July 2, 2006	9.05	17.80	50.8
January 2, 2007	9.03	17.21	52.5

July 2, 2007	9.02	17.21	52.4
January 2, 2008	8.50	16.63	51.1
July 2, 2008	7.96	16.63	47.9
January 2, 2009	7.91	16.04	49.3
July 2, 2009	7.85	16.04	48.9
January 2, 2010	7.28	15.45	47.1
July 2, 2010	6.70	15.45	43.3
January 2, 2011	6.59	14.87	44.3
July 2, 2011	6.47	14.87	43.5
January 2, 2012	5.98	14.28	41.9
July 2, 2012	5.48	14.28	38.4
January 2, 2013	5.19	13.69	37.9
July 2, 2013	4.89	13.69	35.7
January 2, 2014	4.22	12.91	32.7
July 2, 2014	3.52	12.91	27.3
January 2, 2015	3.27	12.13	27.0
July 2, 2015	3.02	12.13	24.9
January 2, 2016	2.26	11.34	19.9
July 2, 2016	1.47	11.34	13.0
January 2, 2017	1.16	10.56	10.9
July 2, 2017	0.83	10.56	7.8
January 2, 2018	0.32	9.78	3.2
July 2, 2018	0.00	0.00	NA

Date	N31131 Equipment Note Outstanding Balance	N31131 Assumed Aircraft Value	N31131 Loan to Value Ratio	N13132 Equipment Note Outstanding Balance	N13132 Assumed Aircraft Value	N13132 Loan to Value Ratio
	($ millions)	($ millions)		($ millions)	($ millions)	
January 2, 2004	$11.21	$19.63	57.1%	$11.21	$19.63	57.1%
July 2, 2004	11.21	19.04	58.9	11.21	19.04	58.9
January 2, 2005	10.65	19.04	56.0	10.65	19.04	56.0
July 2, 2005	10.07	18.45	54.6	10.07	18.45	54.6
January 2, 2006	9.60	18.45	52.0	9.60	18.45	52.0
July 2, 2006	9.10	17.86	50.9	9.10	17.86	50.9
January 2, 2007	9.08	17.86	50.8	9.08	17.86	50.8
July 2, 2007	9.07	17.27	52.5	9.07	17.27	52.5
January 2, 2008	8.55	17.27	49.5	8.55	17.27	49.5
July 2, 2008	8.01	16.69	48.0	8.01	16.69	48.0
January 2, 2009	7.95	16.69	47.6	7.95	16.69	47.6
July 2, 2009	7.89	16.10	49.0	7.89	16.10	49.0
January 2, 2010	7.32	16.10	45.5	7.32	16.10	45.5
July 2, 2010	6.74	15.51	43.4	6.74	15.51	43.4
January 2, 2011	6.63	15.51	42.7	6.63	15.51	42.7
July 2, 2011	6.51	14.92	43.6	6.51	14.92	43.6
January 2, 2012	6.02	14.92	40.4	6.02	14.92	40.4
July 2, 2012	5.52	14.33	38.5	5.52	14.33	38.5
January 2, 2013	5.23	14.33	36.5	5.23	14.33	36.5
July 2, 2013	4.92	13.74	35.8	4.92	13.74	35.8
January 2, 2014	4.26	13.74	31.0	4.26	13.74	31.0
July 2, 2014	3.56	12.96	27.5	3.56	12.96	27.5
January 2, 2015	3.31	12.96	25.5	3.31	12.96	25.5
July 2, 2015	3.04	12.17	25.0	3.04	12.17	25.0
January 2, 2016	2.29	12.17	18.8	2.29	12.17	18.8
July 2, 2016	1.50	11.39	13.2	1.50	11.39	13.2
January 2, 2017	1.18	11.39	10.3	1.18	11.39	10.3
July 2, 2017	0.85	10.60	8.0	0.85	10.60	8.0
January 2, 2018	0.23	10.60	2.2	0.23	10.60	2.2
July 2, 2018	0.00	0.00	NA	0.00	0.00	NA

[Additional columns below]

[Continued from above table, first column(s) repeated]

Date	N13133 Equipment Note Outstanding Balance	N13133 Assumed Aircraft Value	N13133 Loan to Value Ratio
	($ millions)	($ millions)	
January 2, 2004	$11.25	$19.63	57.3%
July 2, 2004	11.25	19.04	59.1
January 2, 2005	10.69	19.04	56.1
July 2, 2005	10.10	18.45	54.8
January 2, 2006	9.63	18.45	52.2
July 2, 2006	9.13	17.86	51.1
January 2, 2007	9.11	17.86	51.0

July 2, 2007	9.10	17.27	52.7
January 2, 2008	8.58	17.27	49.7
July 2, 2008	8.04	16.69	48.2
January 2, 2009	7.98	16.69	47.8
July 2, 2009	7.92	16.10	49.2
January 2, 2010	7.35	16.10	45.7
July 2, 2010	6.76	15.51	43.6
January 2, 2011	6.65	15.51	42.9
July 2, 2011	6.54	14.92	43.8
January 2, 2012	6.05	14.92	40.5
July 2, 2012	5.54	14.33	38.7
January 2, 2013	5.25	14.33	36.6
July 2, 2013	4.94	13.74	36.0
January 2, 2014	4.28	13.74	31.1
July 2, 2014	3.58	12.96	27.7
January 2, 2015	3.33	12.96	25.7
July 2, 2015	3.06	12.17	25.2
January 2, 2016	2.30	12.17	18.9
July 2, 2016	1.51	11.39	13.3
January 2, 2017	1.19	11.39	10.5
July 2, 2017	0.86	10.60	8.1
January 2, 2018	0.26	10.60	2.4
July 2, 2018	0.00	0.00	NA

Date	N25134 Equipment Note Outstanding Balance	N25134 Assumed Aircraft Value	N25134 Loan to Value Ratio	N12135 Equipment Note Outstanding Balance	N12135 Assumed Aircraft Value	N12135 Loan to Value Ratio
	($ millions)	($ millions)		($ millions)	($ millions)	
January 2, 2004	$11.25	$19.63	57.3%	$11.19	$19.76	56.6%
July 2, 2004	11.25	19.04	59.1	11.19	19.17	58.4
January 2, 2005	10.69	19.04	56.1	10.64	19.17	55.5
July 2, 2005	10.10	18.45	54.8	10.06	18.57	54.2
January 2, 2006	9.63	18.45	52.2	9.58	18.57	51.6
July 2, 2006	9.13	17.86	51.1	9.09	17.98	50.6
January 2, 2007	9.11	17.86	51.0	9.08	17.98	50.5
July 2, 2007	9.10	17.27	52.7	9.06	17.39	52.1
January 2, 2008	8.58	17.27	49.7	8.55	17.39	49.2
July 2, 2008	8.04	16.69	48.2	8.01	16.80	47.7
January 2, 2009	7.98	16.69	47.8	7.96	16.80	47.4
July 2, 2009	7.92	16.10	49.2	7.90	16.20	48.7
January 2, 2010	7.35	16.10	45.7	7.34	16.20	45.3
July 2, 2010	6.76	15.51	43.6	6.75	15.61	43.3
January 2, 2011	6.65	15.51	42.9	6.65	15.61	42.6
July 2, 2011	6.54	14.92	43.8	6.54	15.02	43.5
January 2, 2012	6.05	14.92	40.5	6.05	15.02	40.3
July 2, 2012	5.54	14.33	38.7	5.55	14.42	38.5
January 2, 2013	5.25	14.33	36.6	5.26	14.42	36.5
July 2, 2013	4.94	13.74	36.0	4.96	13.83	35.9
January 2, 2014	4.28	13.74	31.1	4.31	13.83	31.2
July 2, 2014	3.58	12.96	27.7	3.63	13.04	27.9
January 2, 2015	3.33	12.96	25.7	3.37	13.04	25.9
July 2, 2015	3.06	12.17	25.2	3.11	12.25	25.4
January 2, 2016	2.30	12.17	18.9	2.35	12.25	19.2
July 2, 2016	1.51	11.39	13.3	1.57	11.46	13.7
January 2, 2017	1.19	11.39	10.5	1.26	11.46	11.0
July 2, 2017	0.86	10.60	8.1	0.93	10.67	8.7
January 2, 2018	0.26	10.60	2.4	0.27	10.67	2.5
July 2, 2018	0.00	0.00	NA	0.00	0.00	NA

[Additional columns below]

[Continued from above table, first column(s) repeated]

Date	N12136 Equipment Note Outstanding Balance	N12136 Assumed Aircraft Value	N12136 Loan to Value Ratio
	($ millions)	($ millions)	
January 2, 2004	$11.81	$19.76	59.8%
July 2, 2004	11.81	19.17	61.6
January 2, 2005	11.20	19.17	58.4
July 2, 2005	10.56	18.57	56.9
January 2, 2006	10.06	18.57	54.2
July 2, 2006	9.54	17.98	53.0
January 2, 2007	9.49	17.98	52.8

July 2, 2007	9.45	17.39	54.3
January 2, 2008	8.90	17.39	51.2
July 2, 2008	8.33	16.80	49.6
January 2, 2009	8.24	16.80	49.1
July 2, 2009	8.15	16.20	50.3
January 2, 2010	7.62	16.20	47.0
July 2, 2010	7.07	15.61	45.3
January 2, 2011	6.86	15.61	44.0
July 2, 2011	6.64	15.02	44.2
January 2, 2012	6.22	15.02	41.4
July 2, 2012	5.78	14.42	40.1
January 2, 2013	5.35	14.42	37.1
July 2, 2013	4.90	13.83	35.4
January 2, 2014	4.34	13.83	31.3
July 2, 2014	3.75	13.04	28.7
January 2, 2015	3.31	13.04	25.4
July 2, 2015	2.86	12.25	23.3
January 2, 2016	2.11	12.25	17.2
July 2, 2016	1.34	11.46	11.7
January 2, 2017	0.90	11.46	7.9
July 2, 2017	0.45	10.67	4.2
January 2, 2018	0.00	0.00	NA
July 2, 2018	0.00	0.00	NA

Date	N11137 Equipment Note Outstanding Balance	N11137 Assumed Aircraft Value	N11137 Loan to Value Ratio	N17138 Equipment Note Outstanding Balance	N17138 Assumed Aircraft Value	N17138 Loan to Value Ratio
	($ millions)	($ millions)		($ millions)	($ millions)	
January 2, 2004	$11.68	$19.76	59.1%	$11.64	$19.76	58.9%
July 2, 2004	11.68	19.17	61.0	11.64	19.17	60.7
January 2, 2005	11.08	19.17	57.8	11.04	19.17	57.6
July 2, 2005	10.46	18.57	56.3	10.42	18.57	56.1
January 2, 2006	9.96	18.57	53.6	9.92	18.57	53.4
July 2, 2006	9.44	17.98	52.5	9.40	17.98	52.3
January 2, 2007	9.40	17.98	52.3	9.37	17.98	52.1
July 2, 2007	9.36	17.39	53.8	9.33	17.39	53.6
January 2, 2008	8.82	17.39	50.7	8.79	17.39	50.5
July 2, 2008	8.26	16.80	49.2	8.23	16.80	49.0
January 2, 2009	8.17	16.80	48.6	8.14	16.80	48.5
July 2, 2009	8.08	16.20	49.9	8.06	16.20	49.7
January 2, 2010	7.55	16.20	46.6	7.51	16.20	46.3
July 2, 2010	7.00	15.61	44.8	6.94	15.61	44.5
January 2, 2011	6.80	15.61	43.6	6.76	15.61	43.3
July 2, 2011	6.59	15.02	43.9	6.58	15.02	43.8
January 2, 2012	6.17	15.02	41.1	6.13	15.02	40.8
July 2, 2012	5.72	14.42	39.7	5.67	14.42	39.3
January 2, 2013	5.31	14.42	36.8	5.28	14.42	36.6
July 2, 2013	4.88	13.83	35.3	4.87	13.83	35.2
January 2, 2014	4.33	13.83	31.3	4.33	13.83	31.3
July 2, 2014	3.75	13.04	28.7	3.76	13.04	28.8
January 2, 2015	3.32	13.04	25.4	3.33	13.04	25.5
July 2, 2015	2.87	12.25	23.4	2.88	12.25	23.5
January 2, 2016	2.14	12.25	17.4	2.15	12.25	17.6
July 2, 2016	1.38	11.46	12.0	1.40	11.46	12.3
January 2, 2017	0.94	11.46	8.2	0.97	11.46	8.5
July 2, 2017	0.50	10.67	4.7	0.52	10.67	4.9
January 2, 2018	0.00	0.00	NA	0.00	0.00	NA
July 2, 2018	0.00	0.00	NA	0.00	0.00	NA

[Additional columns below]

[Continued from above table, first column(s) repeated]

Date	N23139 Equipment Note Outstanding Balance	N23139 Assumed Aircraft Value	N23139 Loan to Value Ratio
	($ millions)	($ millions)	
January 2, 2004	$11.48	$19.83	57.9%
July 2, 2004	11.48	19.24	59.7
January 2, 2005	10.90	19.24	56.6
July 2, 2005	10.28	18.64	55.2
January 2, 2006	9.79	18.64	52.5
July 2, 2006	9.28	18.05	51.4
January 2, 2007	9.25	18.05	51.2

July 2, 2007	9.21	17.45	52.8
January 2, 2008	8.68	17.45	49.7
July 2, 2008	8.12	16.86	48.2
January 2, 2009	8.04	16.86	47.7
July 2, 2009	7.96	16.26	49.0
January 2, 2010	7.43	16.26	45.7
July 2, 2010	6.87	15.67	43.8
January 2, 2011	6.69	15.67	42.7
July 2, 2011	6.51	15.07	43.2
January 2, 2012	6.07	15.07	40.3
July 2, 2012	5.63	14.48	38.9
January 2, 2013	5.24	14.48	36.2
July 2, 2013	4.83	13.88	34.8
January 2, 2014	4.30	13.88	31.0
July 2, 2014	3.75	13.09	28.7
January 2, 2015	3.32	13.09	25.3
July 2, 2015	2.87	12.29	23.3
January 2, 2016	2.17	12.29	17.6
July 2, 2016	1.44	11.50	12.5
January 2, 2017	1.00	11.50	8.7
July 2, 2017	0.55	10.71	5.2
January 2, 2018	0.00	0.00	NA
July 2, 2018	0.00	0.00	NA

	N11140			N26141		
Date	**Equipment Note Outstanding Balance**	**Assumed Aircraft Value**	**Loan to Value Ratio**	**Equipment Note Outstanding Balance**	**Assumed Aircraft Value**	**Loan to Value Ratio**
	($ millions)	**($ millions)**		**($ millions)**	**($ millions)**	
January 2, 2004	$11.42	$19.83	57.6%	$11.48	$19.83	57.9%
July 2, 2004	11.42	19.24	59.4	11.48	19.24	59.7
January 2, 2005	10.84	19.24	56.3	10.90	19.24	56.6
July 2, 2005	10.23	18.64	54.9	10.29	18.64	55.2
January 2, 2006	9.74	18.64	52.3	9.79	18.64	52.5
July 2, 2006	9.23	18.05	51.1	9.28	18.05	51.4
January 2, 2007	9.20	18.05	51.0	9.25	18.05	51.3
July 2, 2007	9.17	17.45	52.5	9.22	17.45	52.8
January 2, 2						