

CONTINENTAL AIRLINES INC /DE/

Form 424B2

December 14, 2012

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**Filed Pursuant to Rule 424(b)(2)
Registration No. 333-181014-01**

CALCULATION OF REGISTRATION FEE

Title of each class of securities offered	Maximum aggregate offering price	Amount of registration fee
Pass Through Certificates, Series 2012-3C	\$425,000,000	\$57,970.00 (1)

(1) The filing fee of \$57,970.00 is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

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PROSPECTUS SUPPLEMENT TO PROSPECTUS, DATED APRIL 27, 2012

\$425,000,000

2012-3 PASS THROUGH TRUST

CLASS C PASS THROUGH CERTIFICATES, SERIES 2012-3

The Continental Airlines Class C Pass Through Certificates, Series 2012-3, are being offered under this prospectus supplement. No other pass through certificates of the same series will be issued. However, the Class C certificates will rank junior to the previously issued Continental Airlines Series 2012-1 and Series 2012-2 pass through certificates. The Class C certificates represent interests in a trust to be established in connection with this offering.

A portion of the proceeds from the issuance of the Class C certificates will be used by the Class C trust to acquire Series C equipment notes issued by Continental with respect to each of 23 Boeing aircraft currently owned by Continental and previously financed under the Continental Airlines Series 2012-1 or Series 2012-2 pass through certificates. The balance of such proceeds will be used to acquire Series C equipment notes issued by Continental to finance, together with equipment notes issued by Continental for the Series 2012-1 or the Series 2012-2 pass through certificates, the purchase by Continental of 19 new Boeing aircraft scheduled for delivery from December 2012 to September 2013. The Series C equipment notes will be secured by such 42 Boeing aircraft, which aircraft will also secure equipment notes held for either the Series 2012-1 pass through certificates or the Series 2012-2 pass through certificates.

Any proceeds of the Class C certificates not used to acquire Series C equipment notes on the issuance date of the Class C certificates will be held in escrow and will bear interest at the same rate as the Class C certificates. The Class C trust will use the escrowed funds to acquire Series C equipment notes when issued by Continental during the period for issuance of Series C equipment notes established for purposes of this offering.

Interest on the Series C equipment notes will be payable semiannually in each April and October after issuance, and the entire principal amount of the Series C equipment notes will be scheduled for payment in April 2018. Interest paid on the Series C equipment notes and on the escrowed funds will be distributed to holders of the Class C certificates on each April 29 and October 29, commencing April 29, 2013. The Class C certificates will not have the benefit of any liquidity facility.

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

The Class C certificates will be subject to transfer restrictions. They may be sold only to qualified institutional buyers, as defined in Rule 144A under the Securities Act of 1933, as amended, for so long as they are outstanding.

Investing in the Class C certificates involves risks. See Risk Factors beginning on page S-22.

Pass Through		Interest		
Certificates	Face Amount	Rate	Final Expected Distribution Date	Price to Public(1)

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Class C	\$425,000,000	6.125%	April 29, 2018	100%
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(1) Plus accrued interest, if any, from the date of issuance.

The underwriters will purchase all of the Class C certificates if any are purchased. The aggregate proceeds from the sale of the Class C certificates will be \$425,000,000. Continental will pay the underwriters a commission of \$5,312,500. Delivery of the Class C certificates in book-entry form only will be made on or about December 27, 2012.

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

Lead Bookrunners

Credit Suisse
Joint Structuring Agent

MORGAN STANLEY
Joint Structuring Agent
Bookrunners

Goldman, Sachs & Co.

Citigroup

Co-Managers

Deutsche Bank Securities

Barclays

BofA Merrill Lynch

J.P. Morgan

The date of this prospectus supplement is December 12, 2012.

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PRESENTATION OF INFORMATION

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

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

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

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

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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 Class C Certificates and Continental, you should read this entire Prospectus Supplement and the accompanying Prospectus, as well as the materials filed with the Securities and Exchange Commission that are considered to be part of this Prospectus Supplement and the Prospectus. See *Incorporation of Certain Documents by Reference* in this Prospectus Supplement and the Prospectus.*

Overview of Structure

Under the terms of two previously issued series of Continental pass through certificates designated as Series 2012-1 and 2012-2, we are entitled to sell Series C Equipment Notes secured by Aircraft financed under each such Prior Series. Accordingly, we have arranged the sale of the Class C Certificates so that we may sell such Series C Equipment Notes.

Each Prior Series of Certificates provides for the Class C Trustee to enter into the Intercreditor Agreement relating to such Prior Series. Class A Certificates and Class B Certificates were issued under each Prior Series. Under the terms of the Intercreditor Agreement for each Prior Series, payments from the Equipment Notes secured by Aircraft financed under such Prior Series (including the Series C Equipment Notes of such Prior Series) will be applied to satisfy required distributions to the Certificateholders of such Prior Series and the Liquidity Providers for such Prior Series before distribution is made to the Class C Trustee, to the extent provided in such Intercreditor Agreement. In addition, if an Indenture Default occurs with respect to Series C Equipment Notes relating to a Prior Series, the exercise of remedies will be controlled by the Trustees for the Certificates of the applicable Prior Series (or, in certain circumstances, the Liquidity Providers for such Prior Series) until they have received their required distributions.

The Series C Equipment Notes held for the Class C Trust will be cross-collateralized. This means that any proceeds from the exercise of remedies with respect to an Aircraft covered by a Prior Series that secures any such Series C Equipment Note or from any other exercise of remedies with respect to such Aircraft, after the payment of all Senior Equipment Notes issued with respect to such Prior Series then due, will (subject to the provisions of the U.S. Bankruptcy Code) be available to cover shortfalls then due under other Series C Equipment Notes issued with respect to the same Prior Series. In the absence of any such shortfall, excess proceeds will be held by the relevant Loan Trustee as additional collateral for the outstanding Series C Equipment Notes issued with respect to the same Prior Series until they have been paid in full and thereafter for the Series C Equipment Notes issued under the other Prior Series. Such excess proceeds will be subject to the Intercreditor Agreement of the Prior Series under which the Aircraft that produced such excess proceeds was financed. As a result, such excess proceeds will be applied to satisfy required distributions to the Certificateholders of such Prior Series before distribution is made to the Class C Trustee, to the extent provided in the Intercreditor Agreement applicable to such Prior Series. However, excess proceeds used to pay Series C Equipment Notes of another Prior Series will not be subject to the Intercreditor Agreement of such other Prior Series.

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	Prior Series		Class C
	2012-1	2012-2	Certificates
Aggregate Outstanding Face Amount(1)	\$892,138,000	\$843,888,000	\$425,000,000
Original Issuance Date	March 22, 2012	October 3, 2012	December 27, 2012
Number of Aircraft	21	21	42
Loan to Assumed Aircraft Value (cumulative)(2)	66.2%	65.2%	82.0%
Expected Principal Distribution Window (in years from applicable original issuance date)	1.6-12.1	1.6-12.1	5.3
Regular Distribution Dates	April 11 and October 11	April 29 and October 29	April 29 and October 29
Final Expected Distribution Date	April 11, 2024	October 29, 2024	April 29, 2018
Final Maturity Date	October 11, 2025	April 29, 2026	April 29, 2018
Minimum Denomination	\$1,000	\$1,000	\$1,000
Section 1110 Protection	Yes	Yes	Yes
Liquidity Facility Coverage	3 semi-annual	3 semi-annual	None
	interest payments	interest payments	

- (1) In the case of the Prior Series, the Aggregate Outstanding Face Amount reflects the aggregate amount of all issued classes of Certificates of such Prior Series. Amounts are as of the expected Issuance Date.
- (2) See Loan to Aircraft Value Ratios. These percentages are determined as of October 29, 2013, the first Class C Regular Distribution Date after all Aircraft listed under Future Deliveries in the chart under Equipment Notes and the Aircraft are expected to have been financed pursuant to the applicable Prior Series and this Offering.

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The 42 Boeing aircraft expected to secure the Series C Equipment Notes to be purchased by the Class C Trust pursuant to this Offering will consist of 23 aircraft that were acquired by Continental prior to the date of this Prospectus Supplement and 19 aircraft scheduled for delivery from December 2012 to September 2013. Set forth below is certain information about these aircraft (assuming for the purposes of the chart below that all of the aircraft to be delivered in the future, including the first three Boeing 787-8 aircraft of the four Boeing 787-8 aircraft from which Continental may choose with respect to the Series 2012-2, are financed hereunder) and the Equipment Notes relating to each such aircraft:

Aircraft Type	Registration Number	Manufacturer's Serial Number	Delivery Month(1)	Appraised Value(2)	Principal Amount of Senior Equipment Notes	Principal Amount of Series C Equipment Notes	Series C Equipment Notes LTV(3)
<i>Previously Delivered</i>							
<u>Series 2012-1</u>							
Boeing 737-924ER	N75432	32835	February 2009	\$ 42,970,000	\$ 28,454,000	\$ 6,274,000	80.8%
Boeing 737-924ER	N75433	33527	March 2009	42,990,000	28,524,000	6,220,000	80.8
Boeing 737-924ER	N75435	33529	May 2009	43,210,000	28,810,000	6,112,000	80.8
Boeing 737-924ER	N36447	31650	February 2012	51,293,333	33,912,000	7,543,000	80.8
Boeing 737-924ER	N81449	31651	March 2012	51,400,000	33,949,000	7,592,000	80.8
Boeing 737-924ER	N78448	40003	March 2012	51,380,000	33,949,000	7,576,000	80.8
Boeing 737-924ER	N38451	31646	April 2012	51,556,667	34,032,000	7,635,000	80.8
Boeing 737-924ER	N39450	40004	April 2012	51,540,000	34,032,000	7,622,000	80.8
Boeing 737-924ER	N68452	40005	May 2012	51,643,333	34,069,000	7,669,000	80.8
Boeing 737-924ER	N68453	41742	May 2012	51,650,000	34,069,000	7,674,000	80.8
Boeing 737-924ER	N38454	31640	June 2012	51,730,000	34,108,000	7,700,000	80.8
Boeing 737-924ER	N34455	41743	June 2012	51,740,000	34,108,000	7,708,000	80.8
Boeing 737-924ER	N37456	37205	September 2012	52,136,667	34,334,000	7,802,000	80.8
Boeing 737-924ER	N28457	41744	September 2012	52,136,667	34,334,000	7,802,000	80.8
Boeing 737-924ER	N38458	37199	September 2012	52,146,667	34,461,000	7,683,000	80.8
Boeing 737-924ER	N38459	37206	October 2012	52,363,333	34,461,000	7,858,000	80.8
Boeing 737-924ER	N34460						