

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. 4)\*

Continental Airlines, Inc.  
(Name of Issuer)

Class A Common Stock and Class B Common Stock  
(Title of Class of Securities)

210795209 and 210795308  
(CUSIP Number)

James J. O'Brien  
201 Main Street, Suite 2420  
Fort Worth, Texas 76102  
(817) 871-4000

(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications)

May 8, 1996  
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box / /.

Check the following box if a fee is being paid with the statement / /.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

\*\*The total number of shares reported herein is 4,267,934 and 3,983,193 of Class A and Class B shares, respectively, which constitutes approximately 54.6% and 16.0%, respectively, of the total number of Class A and Class B shares outstanding. The foregoing ownership percentages set forth herein assume that there are 7,820,790 and 24,875,756 shares of the Class A and Class B Common Stock, respectively, outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act. The number of outstanding shares of the Class A and Class B Common Stock as reported in the Issuer's most recent quarterly report was 6,301,056 and 21,484,074, respectively.

1. Name of Reporting Person:  
Air Partners, L.P.
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: 00-Partnership Contributions
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: Texas
7. Sole Voting Power:  
Class A - 2,740,000 (1)  
Class B - 0
8. Shared Voting Power: -0-
9. Sole Dispositive Power:  
Class A - 2,740,000 (1)  
Class B - 0
10. Shared Dispositive Power: -0-
11. Aggregate Amount Beneficially Owned by Each Reporting Person:  
Class A - 4,259,734 (2)  
Class B - 3,382,632 (3)
12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:  
/x/ See Item 2.
13. Percent of Class Represented by Amount in Row (11):  
Class A - 54.5% (2)(4)  
Class B - 13.6% (3)(5)
14. Type of Reporting Person: PN

- - - - -
- (1) Power is exercised through its two general partners, 1992 Air GP and Air II General, Inc. Additionally, the voting and dispositive power with respect to the shares of Class A Common Stock held by Air Partners, L.P. may, under certain circumstances, be deemed to be shared with, or may be exercised by, the limited partners of Air Partners, L.P. as further described in Item 6 hereof.
  - (2) Includes 1,519,734 shares of Class A Common Stock that may be acquired upon the exercise of warrants.
  - (3) Includes 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants.
  - (4) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 7,820,790 shares of Class A Common Stock outstanding which includes the warrants to purchase shares of Class A Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.
  - (5) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 24,872,756 shares of Class B Common Stock outstanding which includes the warrants to purchase shares of Class B Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.



1. Name of Reporting Person:  
1992 Air GP
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: Not Applicable
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: Texas

7. Sole Voting Power:  
Class A - 0  
Class B - 0

Number of  
Shares  
Beneficially  
Owned By  
Each  
Reporting  
Person With

8. Shared Voting Power:  
Class A - 2,740,000 (1)(2)  
Class B - 0

9. Sole Dispositive Power:  
Class A - 0  
Class B - 0

10. Shared Dispositive Power:  
Class A - 2,740,000 (1)(2)  
Class B - 0

11. Aggregate Amount Beneficially Owned by Each Reporting Person:

Class A - 4,259,734 (2)(3)  
Class B - 3,382,632 (4)(5)

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:

/x/ See Item 2.

13. Percent of Class Represented by Amount in Row (11):

Class A - 54.5% (3)(6)  
Class B - 13.6% (5)(7)

14. Type of Reporting Person: PN

- - - - -
- (1) Power is exercised through its majority general partner, 1992 Air, Inc.
  - (2) Solely in its capacity as one of two general partners of Air Partners, L.P. The voting and dispositive power with respect to the shares of Class A Common Stock held by Air Partners, L.P. may, under certain circumstances, be deemed to be shared with, or may be exercised by, the limited partners of Air Partners, L.P. as further described in Item 6 hereof.
  - (3) Includes 1,519,734 shares of Class A Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P.
  - (4) Solely in its capacity as one of two general partners of Air Partners, L.P. with respect to the 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P.
  - (5) Includes 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners L.P.
  - (6) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 7,820,790 shares of Class A Common Stock outstanding which includes the warrants to purchase shares of Class A Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.
  - (7) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 24,872,756 shares of Class B Common Stock outstanding which includes the warrants to purchase shares of Class B Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.



1. Name of Reporting Person:  
Air II General, Inc.
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: Not Applicable
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: Texas

7. Sole Voting Power:  
Class A - 0  
Class B - 0

- |   |  |
|---|--|
| Number of<br>Shares<br>Beneficially<br>Owned By<br>Each<br>Reporting<br>Person With | <ol style="list-style-type: none"> <li>8. Shared Voting Power:<br/>Class A - 2,740,000 (1)(2)<br/>Class B - 0</li> <li>9. Sole Dispositive Power:<br/>Class A - 0<br/>Class B - 0</li> </ol> |
|---|--|

10. Shared Dispositive Power:  
Class A - 2,740,000 (1)(2)  
Class B - 0

11. Aggregate Amount Beneficially Owned by Each Reporting Person:

Class A - 4,259,734 (2)(3)  
Class B - 3,382,632 (4)(5)

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:

/x/ See Item 2.

13. Percent of Class Represented by Amount in Row (11):

Class A - 54.5% (3)(6)  
Class B - 13.6% (5)(7)

14. Type of Reporting Person: C0

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- (1) Power is exercised through its controlling shareholder, David Bonderman.
  - (2) Solely in its capacity as one of two general partners of Air Partners, L.P. The voting and dispositive power with respect to the shares of Class A Common Stock held by Air Partners, L.P. may, under certain circumstances, be deemed to be shared with, or may be exercised by, the limited partners of Air Partners, L.P. as further described in Item 6 hereof.
  - (3) Includes 1,519,734 shares of Class A Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P.
  - (4) Solely in its capacity as one of two general partners of Air Partners, L.P. with respect to the 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants.
  - (5) Assumes acquisition of 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P.
  - (6) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 7,820,790 shares of Class A Common Stock outstanding which includes the warrants to purchase shares of Class A Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.
  - (7) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 24,872,756 shares of Class B Common Stock outstanding which includes the warrants to purchase shares of Class B Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.



1. Name of Reporting Person:  
1992 Air, Inc.
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: Not Applicable
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: Texas

- |   |  |
|---|--|
|   | 7. Sole Voting Power:<br>Class A - 0<br>Class B - 63,652 (1)               |
| Number of<br>Shares<br>Beneficially<br>Owned By<br>Each<br>Reporting<br>Person With | 8. Shared Voting Power:<br>Class A - 2,740,000 (1)(2)<br>Class B - 0       |
|   | 9. Sole Dispositive Power:<br>Class A - 0<br>Class B - 63,652 (1)          |
|   | 10. Shared Dispositive Power:<br>Class A - 2,740,000 (1)(2)<br>Class B - 0 |

11. Aggregate Amount Beneficially Owned by Each Reporting Person:

Class A - 4,259,734 (2)(3)  
Class B - 3,446,284 (2)(4)

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:

/x/ See Item 2.

13. Percent of Class Represented by Amount in Row (11):

Class A - 54.5% (3)(5)  
Class B - 13.6% (4)(6)

14. Type of Reporting Person: CO

- 
- (1) Power is exercised through its controlling shareholder, David Bonderman.
  - (2) Solely in its capacity as the majority general partner of 1992 Air GP. The voting and dispositive power with respect to the shares of Class A Common Stock held by Air Partners, L.P. may, under certain circumstances, be deemed to be shared with, or may be exercised by, the limited partners of Air Partners, L.P. as further described in Item 6 hereof.
  - (3) Includes 1,519,734 shares of Class A Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P.
  - (4) Includes 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P. and 379,194 shares of Class B Common Stock held directly by 1992 Air GP.
  - (5) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 7,820,790 shares of Class A Common Stock outstanding which includes the warrants to purchase shares of Class A Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.
  - (6) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 24,872,756 shares of Class B Common Stock outstanding which includes the warrants to purchase shares of Class B Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.



1. Name of Reporting Person:  
David Bonderman
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: Not Applicable
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: David Bonderman is a citizen of the United States of America.

7. Sole Voting Power:  
Class A - 8,200 (1)  
Class B - 597,561 (2)

Number of  
Shares  
Beneficially  
Owned By  
Each  
Reporting  
Person With

8. Shared Voting Power:  
Class A - 2,740,000 (3)

9. Sole Dispositive Power:  
Class A - 8,200(1)  
Class B - 597,561 (2)

10. Shared Dispositive Power:  
Class A - 2,740,000 (3)

11. Aggregate Amount Beneficially Owned by Each Reporting Person:

- Class A - 4,267,934 (1)(3)(4)  
Class B - 3,983,193 (2)(5)(6)(9)

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:

/x/ See Item 2.

13. Percent of Class Represented by Amount in Row (11):

- Class A - 54.6% (4)(7)  
Class B - 16.0% (2)(6)(8)(9)

14. Type of Reporting Person: IN

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- (1) Solely in his capacity as general partner of the Bonderman Family Limited Partnership with respect to 8,200 shares.
- (2) Solely in his capacity as general partner of the Bonderman Family Limited Partnership with respect to 441,225 shares. Solely in his capacity as the controlling shareholder of 1992 Air, Inc. with respect to 63,652 shares.
- (3) Solely in his capacities as the controlling shareholder of each of Air II General, Inc. and 1992 Air, Inc. with respect to 2,740,000 shares Class A Common Stock held by Air Partners, L.P. The voting and dispositive power with respect to the shares of Class A Common Stock and Class B Common Stock held by Air Partners, L.P. may, under certain circumstances, be deemed to be shared with, or may be exercised by, the limited partners of Air Partners, L.P. as further described in Item 6 hereof.
- (4) Includes 1,519,734 shares of Class A Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P..
- (5) Solely in his capacity as the controlling shareholder of each of Air II General, Inc. and 1992 Air, Inc. with respect to the 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P.
- (6) Includes 3,382,632 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P.
- (7) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 7,820,790 shares of Class A Common Stock outstanding which includes the warrants to purchase shares of Class A Common Stock held by Air Partners, L.P. but does not include warrants held by any other persons.

- (8) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 24,875,756 shares of Class B Common Stock outstanding which includes the warrants to purchase shares of Class B Common Stock held by Air Partners, L.P. and the director options held by Mr. Bonderman but does not include warrants held by any other persons.
- (9) Includes 3,000 shares of Class B Common Stock that may be acquired by Mr. Bonderman upon the exercise of outside director stock options.



1. Name of Reporting Person:  
Bonderman Family Limited Partnership
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: WC
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: Texas
  7. Sole Voting Power:  
Class A - 8,200 (1)  
Class B - 441,225 (1)
  8. Shared Voting Power:  
Class A - 46,322 (2)  
Class B - 0
  9. Sole Dispositive Power:  
Class A - 8,200 (1)  
Class B - 441,225 (1)
  10. Shared Dispositive Power:  
Class A - 46,322 (2)  
Class B - 0
11. Aggregate Amount Beneficially Owned by Each Reporting Person:  
Class A - 80,215 (2)(3)  
Class B - 498,412 (2)(4)
12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:  
/x/ See Item 2.
13. Percent of Class Represented by Amount in Row (11):  
Class A - 1.3% (3)(5)  
Class B - 2.3% (4)(6)
14. Type of Reporting Person: PN

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- (1) Power is exercised through its general partner, David Bonderman.
  - (2) Bonderman Family Limited Partnership also holds a limited partnership interest in Air Partners, L.P. On the basis of certain provisions of the Partnership Agreement, Bonderman Family Limited Partnership may be deemed to beneficially own the shares of Class A Common Stock and Class B Common Stock beneficially owned by Air Partners, L.P. that are attributable to such limited partnership interest. Pursuant to Rule 13d-4 under the Act, Bonderman Family Limited Partnership disclaims beneficial ownership of all such shares.
  - (3) Includes 25,693 shares of Class A Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P. and attributable to the limited partnership interest in Air Partners, L.P. held by Bonderman Family Limited Partnership.
  - (4) Includes 57,187 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P. and attributable to the limited partnership interest in Air Partners, L.P. held by Bonderman Family Limited Partnership.
  - (5) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 6,326,749 shares of Class A Common Stock outstanding which includes the warrants to purchase Class A Common Stock held by Air Partners, L.P. and attributable to the Bonderman Family Limited Partnership pursuant to the Partnership Agreement but does not include warrants held by any other persons.
  - (6) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 21,547,311 shares of Class B Common Stock Outstanding which includes the warrants to purchase Class B Common Stock held by Air Partners, L.P. and attributable to the Bonderman Family Limited

Partnership pursuant to the Partnership Agreement but does not include warrants held by any other persons.



1. Name of Reporting Person:  
Bondo Air Limited Partnership
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: Not Applicable
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: Texas

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|---|---|
| Number of<br>Shares<br>Beneficially<br>Owned By<br>Each<br>Reporting<br>Person With | <ol style="list-style-type: none"> <li>7. Sole Voting Power:<br/>Class A - 0<br/>Class B - 0</li> <li>8. Shared Voting Power:<br/>Class A - 463,230 (1)<br/>Class B - 0</li> <li>9. Sole Dispositive Power:<br/>Class A - 0<br/>Class B - 0</li> <li>10. Shared Dispositive Power:<br/>Class A - 463,230 (1)<br/>Class B - 0</li> </ol> |
|---|---|

11. Aggregate Amount Beneficially Owned by Each Reporting Person:  
Class A - 720,159 (1)(2)  
Class B - 571,875 (3)(4)

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:  
/X/ See Item 2.

13. Percent of Class Represented by Amount in Row (11):  
Class A - 11.0% (2)(5)  
Class B - 2.6% (4)(6)

14. Type of Reporting Person: PN

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- (1) Solely in its capacity as a limited partner of Air Partners, L.P. On the basis of certain provisions of the Partnership Agreement, Bondo Air Limited Partnership ("Bondo Air") may be deemed to beneficially own the shares of Class A Common Stock and Class B Common Stock beneficially owned by Air Partners, L.P. that are attributable to such limited partnership interests. Pursuant to Rule 13d-4 under the Act, Bondo Air disclaims beneficial ownership of all such shares.
  - (2) Includes 256,929 shares of Class A Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P. and attributable to the limited partnership interest in Air Partners, L.P. held by Bondo Air.
  - (3) Solely in its capacity as a limited partner of Air Partners, L.P. with respect to 571,875 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners and that may be attributable to the limited partnership interests held by Bondo Air pursuant to the Partnership Agreement.
  - (4) Includes 571,875 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P. and attributable to the limited partnership interests in Air Partners, L.P. held by Bondo Air.
  - (5) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 6,557,985 shares of Class A Common Stock outstanding which includes the warrants to purchase Class A Common Stock held by Air Partners, L.P. and attributable to the limited partnership interest held by Bondo Air pursuant to the Partnership Agreement but does not include warrants held by any other persons.
  - (6) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there

are 22,061,999 shares of Class B Common Stock outstanding which includes the warrants to purchase Class B Common Stock held by Air Partners, L.P. and attributable to the limited partnership interest held by Bondo Air pursuant to the Partnership Agreement but does not include warrants held by any other persons.



1. Name of Reporting Person:  
Alfredo Brener
2. Check the Appropriate Box if a Member of a Group:  
(a) / /  
(b) /X/
3. SEC Use Only
4. Source of Funds: Not Applicable
5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e): / /
6. Citizenship or Place of Organization: Alfredo Brener is a citizen of Mexico.

- |   |   |
|---|---|
| Number of<br>Shares<br>Beneficially<br>Owned By<br>Each<br>Reporting<br>Person With | 7. Sole Voting Power:<br>Class A - 0<br>Class B - 0                   |
|   | 8. Shared Voting Power:<br>Class A - 456,282 (1)<br>Class B - 0       |
|   | 9. Sole Dispositive Power: -0-<br>Class A - 0<br>Class B - 0          |
|   | 10. Shared Dispositive Power:<br>Class A - 456,282 (1)<br>Class B - 0 |

11. Aggregate Amount Beneficially Owned by Each Reporting Person:

Class A - 709,357 (1)(2)  
Class B - 563,297 (1)(3)

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:  
/x/ See Item 2.

13. Percent of Class Represented by Amount in Row (11):

Class A - 10.8% (2)(4)  
Class B - 2.6% (3)(5)

14. Type of Reporting Person: IN

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- (1) Because Alfredo Brener, through a limited partnership whose corporate general partner he controls, owns warrants to purchase a 98.5% limited partnership interest in Bondo Air, and on the basis of certain provisions of the limited partnership agreement of Bondo Air, Alfredo Brener may be deemed to beneficially own 98.5% of the shares of Class A Common Stock and Class B Common Stock beneficially owned by Bondo Air or that may be deemed to be beneficially owned by Bondo Air that are attributable to Bondo Air's limited partnership interest in Air Partners. Pursuant to Rule 13d-4 under the Act, Mr. Brener disclaims beneficial ownership of all such shares.
  - (2) Includes 253,075 shares of Class A Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P. and attributable to 98.5% of the limited partnership interest in Air Partners, L.P. held by Bondo Air.
  - (3) Includes 563,297 shares of Class B Common Stock that may be acquired upon the exercise of warrants held by Air Partners, L.P. and attributable to 98.5% of the limited partnership interest in Air Partners, L.P. held by Bondo Air.
  - (4) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 6,554,131 shares of Class A Common Stock outstanding which includes the warrants to purchase Class A Common Stock held by Air Partners, L.P. and attributable to Bondo Air Limited Partnership pursuant to the Partnership Agreement but does not include warrants held by any other persons.
  - (5) Assumes, pursuant to Rule 13d-3(d)(1)(i) under the Act, that there are 22,053,421 shares of Class B Common Stock outstanding which

includes the warrants to purchase Class B Common Stock held by Air Partners, L.P. and attributable to Bondo Air Limited Partnership pursuant to the Partnership Agreement but does not include warrants held by any other persons.



Pursuant to Rule 13d-2(a) of Regulation 13D-G of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Act"), the undersigned hereby amend their Schedule 13D Statement dated August 8, 1995, as amended by Amendment No. 1 dated August 11, 1995, Amendment No. 2 dated April 3, 1996 and Amendment No. 3 dated April 26, 1996 (the "Schedule 13D"), relating to the shares of Class A Common Stock, par value \$.01 per share ("Class A Stock"), and Class B Common Stock, par value \$.01 per share ("Class B Stock"), of Continental Airlines, Inc. (the "Issuer"). Unless otherwise indicated, all defined terms used herein shall have the same meanings respectively ascribed to them in the Schedule 13D.

ITEM 1. SECURITY AND ISSUER.

No material change.

ITEM 2. IDENTITY AND BACKGROUND.

No material change.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

No material change.

ITEM 4. PURPOSE OF TRANSACTION.

No material change.

ITEM 5. INTERESTS IN SECURITIES OF THE ISSUER.

Paragraphs (a)-(c) of Item 5 are hereby amended and restated in their entireties as follows:

(a)

AIR PARTNERS

The aggregate number of shares of the Class A Stock that Air Partners owns beneficially, pursuant to Rule 13d-3 under the Act, is 4,259,734, which constitutes approximately 54.5% of the 7,820,790 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act. The aggregate number of shares of the Class B Stock that Air Partners owns beneficially, pursuant to Rule 13d-3 under the Act, is 3,382,632, which constitutes approximately 13.6% of the 24,872,756 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act.

1992 AIR GP

Because of its position as one of two general partners of Air Partners, 1992 Air GP may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 4,259,734 shares of the Class A Stock, which constitutes approximately 54.5% of the 7,820,790 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act, and 3,382,632 shares of the Class B Stock, which constitutes approximately 13.6% of the 24,872,756 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act.

AIR II

Because of its position as one of two general partners of Air Partners, Air II may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 4,259,734 shares of the Class A Stock, which constitutes approximately 54.5% of the 7,820,790 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act, and 3,382,632 shares of the Class B Stock, which constitutes approximately 13.6% of the 24,872,756 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act.

AIR, INC.

Because of its position as one of two general partners of 1992 Air GP, Air, Inc., may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 4,259,734 shares of the Class A Stock, which constitutes approximately 54.5% of the 7,820,790 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act, and 3,446,284 shares of the Class B Stock, which constitutes approximately 13.6% of the 24,872,756 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act.

#### BONDERMAN

Because of his position as the controlling shareholder of each of Air II and Air, Inc., and as the general partner of Bonderman Family, and because he holds a director stock option to acquire 3,000 shares of the Class B Stock, and because of his direct ownership of 92,684 shares of the Class B Stock, Bonderman may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of (i) 4,267,934 shares of the Class A Stock, which constitutes approximately 54.6% of the 7,820,790 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act, and (ii) an aggregate 3,983,193 shares of the Class B Stock, which constitutes approximately 16.0% of the 24,875,756 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act.

#### BONDERMAN FAMILY

The aggregate number of shares of the Class A Stock that Bonderman Family owns, or may be deemed to own, beneficially, pursuant to Rule 13d-3 under the Act, is 80,215, 8,200 shares of which Bonderman Family owns directly and 72,015 shares of which Bonderman Family may be deemed to own beneficially because of its position as a limited partner of Air Partners, and on the basis of certain provisions of the Partnership Agreement. In the aggregate, such shares of Class A Stock constitute approximately 1.3% of the 6,326,749 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act. The aggregate number of shares of the Class B Stock that Bonderman Family owns, or may be deemed to own, beneficially, pursuant to Rule 13d-3 under the Act, is 498,412, 441,225 of which Bonderman Family owns directly and 57,187 of which Bonderman Family may be deemed to own beneficially because of its position as a limited partner of Air Partners, and on the basis of certain provisions of the Partnership Agreement. Such shares of Class B Stock in the aggregate constitute approximately 2.3% of the 21,547,311 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act. Pursuant to Rule 13d-4 under the Act, Bonderman Family disclaims beneficial ownership of all such shares attributable to Bonderman Family's limited partnership interest in Air Partners.

#### BONDO AIR

Because of its position as a limited partner of Air Partners, and on the basis of certain provisions of the Partnership Agreement, Bondo Air may, pursuant to Rule 13d-3 of the Act, be deemed to own beneficially 720,159 shares of the Class A Stock, which constitutes approximately 11.0% of the 6,557,985 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act and 571,875 shares of Class B Stock, which constitutes approximately 2.6% of the 22,061,999 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act. Pursuant to Rule 13d-4 under the Act, Bondo Air disclaims beneficial ownership of all such shares attributable to Bondo Air's limited partnership interest in Air Partners.

#### BRENER

Because of his ownership, through a limited partnership whose corporate general partner he controls, of warrants to purchase a 98.5% limited partnership interest in Bondo Air, and on the basis of certain provisions of the limited partnership agreement of Bondo Air and the Partnership Agreement, Brener may, pursuant to Rule 13d-3 under the Act, be deemed to be the beneficial owner of 709,357 shares of the Class A Stock, which constitutes approximately 10.8% of the 6,554,131 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act and 563,297 shares of the Class B Stock, which constitutes approximately 2.6% of the 22,053,421 shares of such stock deemed outstanding pursuant to Rule 13d-3(d)(1)(i) under the Act. Pursuant to Rule 13d-4 under the Act, Brener disclaims beneficial ownership of all such shares attributable to Bondo Air's limited partnership interest in Air Partners.

To the best knowledge of each of the Reporting Persons, other than as set forth above, none of the persons named in response to Item 2(a) herein is the beneficial owner of any shares of the Class A Stock or the Class B Stock.

(b)

#### AIR PARTNERS

Acting through its two general partners, Air Partners has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,740,000 shares of the Class A Stock and has no power to vote or to direct the vote of any shares of the Class B Stock. Additionally, the voting and dispositive power with respect to the shares of Class A Common Stock held by AirPartners may, under certain circumstances, be deemed to be

shared with, or may be exercised by, the limited partners of Air Partners as further described in Item 6 hereof.

#### 1992 AIR GP

In its capacity as one of two general partners of Air Partners, and acting through its majority general partner, 1992 Air GP has the shared power to vote or to direct the vote and to dispose or to direct the disposition of 2,740,000 shares of the Class A Stock.

#### AIR II

In its capacity as one of two general partners of Air Partners, and acting through its controlling shareholder, Air II has the shared power to vote or to direct the vote and to dispose or to direct the disposition of 2,740,000 shares of the Class A Stock.

#### AIR, INC.

In its capacity as the majority general partner of 1992 Air GP, and acting through its controlling shareholder, Air, Inc. has the shared power to vote or to direct the vote and to dispose or to direct the disposition of 2,740,000 shares of the Class A Stock and the sole power to vote or to direct the vote and to dispose or to direct the disposition of 63,652 shares of the Class B Stock.

#### BONDERMAN

In his capacity as the controlling shareholder of each of Air II and Air, Inc., Bonderman has the shared power to vote or to direct the vote and to dispose or to direct the disposition of 2,740,000 shares of the Class A Stock and the sole power to vote or to direct the vote and to dispose or to direct the disposition of 63,652 shares of the Class B Stock. In his capacity as sole general partner of Bonderman Family, Bonderman has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 8,200 shares of the Class A Stock and 441,225 shares of the Class B Stock. Bonderman has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 92,684 shares of Class B Common Stock. Additionally, because of Bonderman's ownership of direct and indirect limited partnership interests in Air Partners, and on the basis of certain provisions of the Partnership Agreement, Bonderman may be deemed to have shared power to vote or to direct the vote and to dispose or to direct the disposition of shares of Class A Stock beneficially owned by Air Partners attributable to such limited partnership interests in Air Partners.

#### BONDERMAN FAMILY

Acting through its sole general partner, Bonderman Family has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 8,200 shares of the Class A Stock and 441,225 shares of the Class B Stock. Additionally, because of its ownership of a limited partnership interest in Air Partners, and on the basis of certain provisions of the Partnership Agreement, Bonderman Family may be deemed to have shared power to vote or to direct the vote and to dispose or to direct the disposition of 46,322 shares of Class A Stock.

#### BONDO AIR

In its capacity as a limited partner of Air Partners, and on the basis of certain provisions of the Partnership Agreement, Bondo Air may be deemed to have shared power to vote or to direct the vote and to dispose or to direct the disposition of 463,230 shares of the Class A Stock attributable to Bondo Air's limited partnership interest in Air Partners. Bondo Air has no power to vote or to direct the vote or to dispose or to direct the disposition of any shares of Class B Stock.

#### BRENER

Because of his ownership, through a limited partnership whose corporate general partner he controls, of warrants to purchase a 98.5% limited partnership interest in Bondo Air, and on the basis of certain provisions of the limited partnership agreement of Bondo Air and the Partnership Agreement, Brenner may be deemed to have shared power to vote or to direct the vote and to dispose or to direct the disposition of 456,282 shares of the Class A Stock attributable to Bondo Air's limited partnership interest in Air Partners. Brenner has no power to vote or to direct the vote or to dispose or to direct the disposition of any shares of the Class B Stock.

(c) As reported in Item 6 of the most recent amendment to the Schedule 13D, the Issuer agreed, pursuant to the Stockholders' Agreement Amendment dated as of April 19, 1996, to effect the Registration of certain

shares of the Class B Common Stock beneficially owned by Air Canada and by the partners in Air Partners and to engage a lead underwriter to conduct the Offering of such shares on a firm commitment basis. On May 8, 1996, the following Reporting Persons sold shares of the Class B Stock in the Offering at a price per share of \$51.84, as follows:

REPORTING PERSON	NUMBER OF SHARES
Bonderman	50,000
Air Inc.	305,456
Air II	2,403
Bondo Air (1)	412,499

- - - - -  
(1) As reported on his cover page to this Schedule 13D, because of his indirect ownership of warrants to purchase a 98.5% interest in Bondo Air, and on the basis of certain provisions of the limited partnership agreement of Bondo Air, Brenner may be deemed to beneficially own 98.5% of such shares. Pursuant to Rule 13d-4 under the Act, Brenner disclaims beneficial ownership of such shares.

Except as set forth in this paragraph (c), to the best of the knowledge of each of the Reporting Persons, none of the persons named in response to paragraph (a) has effected any transactions in the shares of the Class A Stock or Class B Stock since the most recent filing on Schedule 13D.

(d)-(e)

No material change.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Item 6 is hereby partially amended by adding at the end thereof, the following:

Except as disclosed in this Schedule 13D (including the original Schedule 13D filing, as amended), the Reporting Persons know of no contracts, arrangements, understandings or relationships between or among themselves, or between the Reporting Persons and any other person, with respect to any securities of the Issuer.

The various agreements between and among the Issuer, Air Canada and certain of the Reporting Persons pursuant to the Stockholders' Agreement Amendment and the Restated Registration Rights Agreement disclosed in Item 6 of the most recent amendment to this Schedule 13D will become effective upon the closing of the Offering, which will occur on May 14, 1996. In particular, pursuant to the Stockholders' Agreement Amendment, Air Canada has granted to Air Partners the Air Canada Proxy which enables Air Partners to vote Air Canada's shares of the Issuer's common stock at the upcoming annual meeting with respect to the election of directors, approval of certain amendments to the Issuer's Amended and Restated Certificate of Incorporation, and approval of amendments to certain employee benefit-related contracts and other matters. If Air Partners is in any way precluded from exercising such proxy, Air Canada has agreed to vote its shares in favor of the Issuer's proposals at the annual stockholders' meeting of the Issuer.

As previously disclosed in this Item 6, Air Partners intends to vote its shares of the Issuer's common stock and the shares covered by the Air Canada Proxy at the annual stockholders' meeting of the Issuer in favor of the proposed amendments to the Issuer's Certificate of Incorporation, which provide for, among other things, a change in the number of directors from 18 to such number as may be determined from time to time by the Board in accordance with the By-Laws (currently anticipated to be 12), the ability of holders of the Issuer's Class D Common Stock to elect one-third of the number of directors determined by the Board (rounded to the nearest whole number), the deletion of class C common stock and the deletion of Air Canada's preemptive rights.

On May 2, 1996, Air Partners entered into a Warrant Purchase Agreement (the "Warrant Purchase Agreement") with the Issuer. Pursuant to the Warrant Purchase Agreement, Air Partners, at its election, may for the one-year period commencing August 15, 1996, sell to the Issuer up to \$50 million in intrinsic value (then-current Class B Common Stock price minus exercise price) of Air Partners' Class B Warrants. The Issuer has also agreed, pursuant to the Warrant Purchase Agreement, that at any time after December

16, 1996, upon the written request of Air Partners, it will agree to amend the terms of the Class B Warrants to permit the "cashless exercise" of the Class B Warrants. A "cashless exercise" would allow Air Partners, upon the exercise of Class B Warrants, to deliver to the Issuer Class B Warrants with an aggregate intrinsic value equal to the aggregate exercise price of the Class B Warrants being exercised in payment therefor.

The description set forth in this Item 6 of the Warrant Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to such agreement, which is being filed as an exhibit to this Schedule 13D.

ITEM 7. MATERIALS TO BE FILED AS EXHIBITS.

- Exhibit 4.1 Subscription and Stockholders' Agreement, dated as of April 27, 1993, among Air Partners, Air Canada and the Issuer, previously filed.
- Exhibit 4.2 Warrant Agreement, dated as of April 27, 1993, by and between the Issuer and the Warrant Agent as defined therein, previously filed.
- Exhibit 4.3 Registration Rights Agreement dated as of April 27, 1993, among Air Partners, Air Canada and the Issuer, previously filed.
- Exhibit 4.4 Form of Lock Up Agreement between Air Partners and Goldman Sachs International, previously filed.
- Exhibit 4.5 Form of Lock Up Agreement between each Partner of Air Partners and the Issuer, previously filed.
- Exhibit 4.6 Form of Assignment of Registration Rights by Air Partners in favor of each Partner of Air Partners, previously filed.
- Exhibit 4.7 Amendment to Subscription and Stockholders' Agreement, dated as of April 19, 1996, among Air Partners, Air Canada and the Issuer, previously filed.
- Exhibit 4.8 Amended and Restated Registration Rights Agreement, dated as of April 19, 1996 among the Issuer, Air Partners, and Air Canada, previously filed.
- Exhibit 4.9 Warrant Purchase Agreement, dated as of May 2, 1996, by and between the Issuer and Air Partners, filed herewith.
- Exhibit 24.1 Power of Attorney dated August 7, 1995 by Alfredo Brener, previously filed.
- Exhibit 99.1 Agreement pursuant to Rule 13d-1(f)(1)(iii), filed herewith.
- Exhibit 99.2 Amended and Restated Limited Partnership Agreement of Air Partners, L. P., together with the first amendment thereto, previously filed.



After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Dated: May 13, 1996

AIR PARTNERS, L.P.

By: 1992 AIR GP,  
General Partner

By: 1992 AIR, INC.,  
General Partner

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

1992 AIR GP

By: 1992 AIR, INC.,  
General Partner

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

AIR II GENERAL, INC.

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

1992 AIR, INC.

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

/s/James J. O'Brien  
James J. O'Brien,  
Attorney-in-Fact for each of:  
DAVID BONDERMAN (1)  
ALFREDO BRENER (2)

BONDERMAN FAMILY LIMITED PARTNERSHIP

By: David Bonderman, general partner

By:/s/James J. O'Brien,  
Attorney-in-Fact for DAVID BONDERMAN(1)

BONDO AIR LIMITED PARTNERSHIP

By: 1992 AIR, INC.,  
General Partner

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

- (1) A Power of Attorney authorizing James J. O'Brien to act on behalf of David Bonderman was previously filed with the Commission.
- (2) A Power of Attorney authorizing James J. O'Brien to act on behalf of Alfredo Brener was previously filed with the Commission.

## WARRANT PURCHASE AGREEMENT

WARRANT PURCHASE AGREEMENT, dated as of May 2, 1996 (the "Agreement"), by and between Continental Airlines, Inc., a Delaware corporation ("Continental") and Air Partners, L.P., a Texas limited partnership ("Air Partners").

## W I T N E S S E T H

WHEREAS, pursuant to the Stockholders' Agreement, the Investment Agreement and the Warrant Agreement (each as hereinafter defined), Continental issued to Air Partners warrants to purchase up to an aggregate of 2,557,600 shares of Class B common stock, par value \$.01 per share, of Continental ("Class B Common Stock") at an initial exercise price of \$15.00 per share and up to an aggregate of 825,032 shares of Class B Common Stock at an initial exercise of \$30.00 per share (collectively, the "Warrants").

WHEREAS, pursuant to the Amendment to Subscription and Stockholders' Agreement (the "Stockholders Agreement Amendment"), dated as of April 19, 1996, between Continental, Air Partners and Air Canada, a Canadian corporation ("Air Canada"), Air Partners has agreed not to make certain transfers or acquisitions of Continental securities (including Warrants) prior to December 16, 1996;

WHEREAS, Air Partners desires to have the right to require Continental to repurchase the Warrants, subject to certain specified limitations, and Continental desires to repurchase such Warrants, all on the terms and subject to the conditions as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and mutual covenants and obligations hereinafter set forth, the parties hereto agree as follows:

## 1. Definitions

The following terms used in the Agreement shall have the following meanings (all terms defined in the singular have the correlative meanings when used in the plural and vice versa).

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Agreement" shall mean this Agreement, as originally executed and as modified, amended or supplemented from time to time.

"Blackout Period" shall have the meaning specified in Section 2(b) hereof.

"Business Day" shall mean any day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York are authorized or required by law or executive order to close.

"Class B Common Stock" shall have the meaning set forth in the recitals hereto.

"Consent Fee" shall have the meaning specified in Section 5(a).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Earnings Release Date" shall have the meaning specified in Section 2(b).

"GE" shall have the meaning specified in Section 5(a).

"GE Expenses" shall mean the Consent Fee together with any other reasonable and documented out-of-pocket expenses incurred by Continental (including reasonable fees and expenses of GE's counsel) in connection with the actions taken by it pursuant to Section 5(a).

"Intrinsic Value" shall mean, on a per Warrant basis, the positive difference between the Market Price Per Share and the Warrant Price, each as determined on the Notification Date.

"Investment Agreement" shall mean the Investment Agreement, dated as of November 9, 1992, as amended on January 13, 1993, among Air Partners, Air Canada, Continental and Continental Holdings, Inc., as it may be further amended from time to time.

"Loan Agreements" shall have the meaning specified in Section 5(a).

"Market Price Per Share" shall mean the per share closing price, regular way, of Class B Common Stock on the NYSE on the Notification Date.

"Notification Date" shall mean the date on which a Repurchase Notice is delivered by Air Partners to Continental in accordance with Section 2(a).

"NYSE" shall mean the New York Stock Exchange, Inc.

"Person" shall mean any natural person, corporation, division of a corporation, partnership, trust, joint venture association, limited liability company, company, estate, unincorporated organization or governmental entity.

"Preliminary Repurchase Notification" shall have the meaning set forth in Section 2(a).

"Put Date" shall mean the date which is the third Business Day following the Notification Date.

"Repurchase Notice" shall mean a written notice delivered to Continental by Air Partners specifying (i) that Air Partners is electing to exercise its put right in accordance with this Agreement, (ii) the number of Warrants Air Partners desires Continental to repurchase, (iii) the account or accounts to which the Repurchase Price should be paid and (iv) that Air Partners has all authority, consents and approvals necessary to sell the Warrants specified in such notice.

"Repurchase Price" shall mean the Intrinsic Value multiplied by the number of Warrants to be repurchased by Continental as set forth in the Repurchase Notice.

"Stockholders' Agreement" shall mean the Subscription and Stockholders' Agreement, dated as of April 27, 1993, among Continental, Air Partners and Air Canada.

"Stockholders Agreement Amendment" shall have the meaning specified in the recitals hereto.

"Warrant Agreement" shall mean the Warrant Agreement, dated as of April 27, 1993, between Continental in its corporate capacity and Continental in its capacity as warrant agent.

"Warrant Price" shall have the meaning specified in the Warrant Agreement and shall be subject to adjustment from time to time in accordance with Article IV thereof.

"Warrants" shall have the meaning specified in the recitals hereto.

## 2. Repurchase of Warrants

(a) In the event Air Partners desires to sell its Warrants to Continental pursuant to the terms hereof (i) it shall use good faith efforts to provide (including by telephone) to Continental's Chief Financial Officer or General Counsel, not later than 1 P.M. Eastern Time on the date of such intended sale, preliminary advance notice (a "Preliminary Repurchase Notification") of its intention to exercise its put right hereunder and (ii) shall deliver to Continental at its principal office not later than 7 P.M. Eastern Time on the date of such intended sale, a Repurchase Notice confirming (or, if a Preliminary Repurchase Notification was not delivered pursuant to clause (i) of this Section 2(a), notifying Continental of) the exercise by Air Partners of its put right hereunder, provided, that (x) the delivery of a Preliminary Repurchase Notification alone shall in no way obligate Air Partners to sell Warrants to Continental pursuant to the terms of this Agreement and (y) the failure to provide a Preliminary Repurchase Notification shall not preclude the delivery by Air Partners of a valid Repurchase Notice.

(b) Upon its receipt of a Repurchase Notice, Continental shall, upon the terms and subject to the conditions of this Agreement, be required to repurchase each Warrant specified in the Repurchase Notice at its Intrinsic Value, provided that (i) in no event shall Continental be required to repurchase during the term hereof Warrants with an aggregate Intrinsic Value of more than \$50 million and (ii) Continental may, at its option, determine not to repurchase Warrants specified in any Repurchase Notice delivered by Air Partners during any five-Business Day period (the "Blackout Period") commencing on the Business Day following the date on which Continental releases quarterly and annual earnings reports (such date of release, the "Earnings Release Date") if Continental has notified Air Partners at least two Business Days prior to the relevant Earnings Release Date of its determination not to repurchase Warrants during the Blackout Period.

(c) Continental agrees that at any time after December 16, 1996, upon the written request of Air Partners, and provided Air Partners has complied with its obligations set forth in Section 12 of the Stockholders Agreement Amendment, it will agree to amend the terms of the Warrants and, to the extent necessary, the Warrant Agreement, to permit the "cashless exercise" of the Warrants, it being understood that a "cashless exercise" represents the exercise of Warrants by Air Partners, and the corresponding delivery by Air Partners to Continental of Warrants with an aggregate Intrinsic Value equal to the aggregate Warrant Price of the Warrants so exercised, in consideration therefor. The parties agree that the aforementioned method of "cashless exercise" may be modified (including, without limitation, to permit the transfer by Air Partners of shares of Class B Common Stock in payment of the exercise price of the Warrants so exercised) to the extent deemed necessary by Air Partners to avoid adverse consequences to Air Partners under Section 16 of the Exchange Act that may arise in connection with any "cashless exercise."

3. Method of Repurchase. Upon the terms and subject to the conditions of this Agreement, at 11:00 a.m. (Eastern Standard Time) on any Put Date with respect to which Continental has received a Repurchase Notice, at the principal offices of Continental, or at such other time or place as Continental and Air Partners may agree (a) Air Partners shall transfer to Continental full right, title and interest in and to the Warrants specified in its' Repurchase Notice, free and clear of any and all mortgages, liens, pledges, charges, security interests, encumbrances or adverse claims of any kind and nature in respect of such Warrants, and shall deliver to Continental a certificate or certificates representing such Warrants, in each case duly endorsed for transfer or accompanied by appropriate stock transfer powers duly endorsed; and (b) Continental shall pay to Air Partners, in full payment of the Warrants specified in the Repurchase Notice, an amount equal to the Repurchase Price, less, except as otherwise provided in Section 5(a), any GE Expenses incurred by Continental pursuant to Section 5(a), by wire transfer of immediately available funds to the account or accounts specified in the Repurchase Notice.

4. Certain Conditions to Repurchase. Continental's obligation to repurchase any Warrants pursuant to Section 3 hereof shall be subject to the satisfaction, or the written waiver by Continental, of the following conditions: (i) the repurchase of Warrants shall not contravene any law, rule, order, rule, regulation or ordinance of any federal, state or local government or regulatory authority, including the Act or the Exchange Act, (ii) no preliminary or permanent injunction or other order against the repurchase of Warrants issued by any federal, state or other court of competent jurisdiction within or without the United States shall be in effect and (iii) Air Partners has, prior to the Put Date, complied with its obligations set forth in Section 12 of the Stockholders Agreement Amendment.

5. Additional Obligations of Continental.

(a) In order to comply with its obligations hereunder, and for so long as the Series B-1 Loan Agreement or the Series B-2 Loan Agreement, each as amended (the "Loan Agreements") between Continental and global Project & Structured Finance Corporation remain in full force and effect, Continental agrees to take any and all actions necessary to obtain from Global Project & Structured Finance Corporation or its affiliates ("GE") the consents to the transactions contemplated by Section 3 hereof required pursuant to the terms of such Loan Agreements, including paying any amount to GE in exchange for such consent (the "Consent Fee"), provided, that the portion of the GE Expenses allocated to the Consent Fee shall not be deducted as specified in Section 3(b) hereof unless Continental shall have obtained the written consent of Air Partners prior to the payment of any Consent Fee to GE.

(b) Notwithstanding anything to the contrary contained in paragraph (a) of this Section 5, Continental shall use its best efforts to (i) refinance, prior to June 30, 1996, its remaining obligations under the Loan Agreements on the same or better terms to Continental so as to permit the transactions contemplated by Section 3 hereof and (ii) obtain any consent required from GE in connection with the performance of its obligations hereunder without paying a Consent Fee; provided, that Continental shall have no obligation to purchase Warrants under this Agreement if Continental has complied with this Section 5(b) and Air Partners does not consent to the payment of any applicable Consent Fee to GE.

6. Term and Termination. Unless earlier terminated by written agreement of the parties hereto, this Agreement shall be effective for a period of one year commencing August 15, 1996, provided, however, that (i) the obligations of Continental set forth in Section 5(b)(i) shall be in full force and effect as of the date hereof and (ii) the obligations of the parties hereto set forth in Section 2(c) shall continue in full force and effect until April 27, 1998.

7. Assignment.

(a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, that, except as set forth in paragraph (b) of this Section 7, neither this Agreement nor any of the rights or obligations hereunder shall be assigned by either party hereto without the prior written consent of the other party.

(b) Notwithstanding the foregoing, Air Partners may, at any time and from time to time, transfer Warrants to its partners and, in connection therewith, may assign the rights associated with such Warrants under Section 2(c) hereof to such partners.

8. Amendment: Severability. This Agreement may be altered or amended only with the written consent of each of the parties. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not be affected or impaired thereby.

9. Notices.

(a) Except for the Preliminary Repurchase Notification, all notices, requests, documents or other communications required or permitted hereunder shall be in writing and shall be delivered (i) by personal delivery or (ii) by sending a facsimile transmission of a copy of such writing, addressed as follows:

if to Continental:

Continental Airlines, Inc.  
Suite 2010  
2929 Allen Parkway  
Houston, Texas 77019  
Attention: Chief Financial Officer and General Counsel  
Fax: (713) 523-2831

if to Air Partners:

Air Partners, L.P.  
201 Main Street, Suite 2420  
Fort Worth, Texas 76102  
Attention: James G. Coulter  
Fax: (817) 871-4010

(b) Each party by written notice given to the other party in accordance with this Section 9 may change the name or address to which notices, requests, documents or other communications are to be sent to such party. All notices, requests, documents or other communications hereunder shall be deemed to have been given (i) upon actual delivery when given by personal delivery or (ii) upon receipt of facsimile confirmation when delivered by facsimile transmission.

10. Complete Agreement: Counterparts. This Agreement constitutes the entire agreement among the parties hereto relating to the subject matter hereof, and all prior agreements and understandings, written or oral, with respect thereto are superseded. This Agreement may be executed by the parties in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

11. Headings. The section headings herein are for convenience of reference only and in no way define, limit or extent the scope or intent of this Agreement or any provisions hereof.

12. Choice of Law: Submission to Jurisdiction.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) Each of the parties hereto irrevocably consents and submits (i) to the exclusive jurisdiction of the State and Federal courts located in the County of New York in the State of New York in connection with any suits, actions or other proceedings arising between or among such parties under this Agreement and (ii) to the laying of venue in any such court in any such suit, action or proceeding. Each of such parties irrevocably agrees that such suits, actions or proceedings may only be commenced or prosecuted in such courts, and each irrevocably waives any claim that any such court constitutes an inconvenient forum for the prosecution of such suit, action or proceeding. Each of the parties irrevocably agrees not to seek the transfer to any court located outside the County of New York of any such suit, action or proceeding.

13. Third-Party Rights. Except as specifically provided herein, this Agreement is not intended to confer any benefits upon, or create any rights in favor of, any Person other than the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CONTINENTAL AIRLINES, INC.

By: \_\_\_\_\_  
Name:  
Title:

AIR PARTNERS, L.P.

By: 1992 Air GP, as General Partner

By: 1992 Air, Inc., as General Partner

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT 99.1

Pursuant to Rule 13d-1(f)(1)(iii) of Regulation 13D-G of the General Rules and Regulations of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the undersigned agree that the statement to which this Exhibit is attached is filed on behalf of them in the capacities set forth hereinbelow.

AIR PARTNERS, L.P.

By: 1992 AIR GP,  
General Partner

By: 1992 AIR, INC.,  
General Partner

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

1992 AIR GP

By: 1992 AIR, INC.,  
General Partner

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

AIR II GENERAL, INC.

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

1992 AIR, INC.

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

/s/James J. O'Brien  
James J. O'Brien,  
Attorney-in-Fact for each of:  
DAVID BONDERMAN (1)  
ALFREDO BRENER (2)

BONDERMAN FAMILY LIMITED PARTNERSHIP

By: David Bonderman, general partner

By:/s/James J. O'Brien,  
Attorney-in-Fact for DAVID BONDERMAN(1)

BONDO AIR LIMITED PARTNERSHIP

By: 1992 AIR, INC.,  
General Partner

By:/s/James J. O'Brien  
James J. O'Brien,  
Vice President

- (1) A Power of Attorney authorizing James J. O'Brien to act on behalf of David Bonderman was previously filed with the Commission.
- (2) A Power of Attorney authorizing James J. O'Brien to act on behalf of Alfredo Brener was previously filed with the Commission.