

Prospectus Supplement

The Prospectus dated August 13, 1996, relating to the offer for resale of up to \$200,650,000 aggregate principal amount of the Continental Airlines, Inc. 6-3/4% Convertible Subordinated Notes due April 15, 2006 is hereby supplemented as follows:

- 1) "BT Securities Corporation" is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes owned as of December 19, 1996 of \$575,000. Bankers Trust Company, an affiliate of BT Securities Corporation is the Agent and a lender under a credit facility with Continental Micronesia, Inc., a 91% subsidiary of Continental Airlines, Inc., and is the trustee under the indenture relating to the 6-3/4% Convertible Subordinated Notes. BT Securities Corporation and its affiliates have performed other investment banking and banking services for Continental Airlines, Inc. and/or its affiliates in the past, for which they received customary compensation, and may in the future provide such services.
- 2) The Principal Amount of Registered Notes held by "HBK Main Street Investments L.P." is increased as of December 23, 1996 to \$14,315,000.
- 3) The Principal Amount of Registered Noted held by "HBK Securities Ltd." is increased as of December 23, 1996 to \$5,185,000.

The date of this Prospectus Supplement is December 23, 1996.