

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) "Goldman, Sachs & Co." is added after the comma that follows the word "Corporation", and prior to the word "Lehman", on page 38 in the third sentence of the second paragraph under the heading "Selling Holders."
- 2) "Goldman, Sachs & Co." is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$16,301,000.
- 3) "Highbridge Capital Corporation" is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$6,500,000.
- 4) "The Northwestern Mutual Life Insurance Company" is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$3,000,000.
- 5) "Public Employees' Retirement Association of Colorado" is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$2,000,000.
- 6) "NB Convertible Arbitrage Partners L.P." is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$850,000.
- 7) "ICI American Holdings" is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$450,000.
- 8) "Zeneca Holdings" is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$450,000.
- 9) "WAFRA Discretionary Fund" is added to the table of Selling Holders on page 39 with a Principal Amount of Registered Notes held as of July 15, 1996 of \$180,000.
- 10) The Principal Amount of Registered Notes held as of July 15, 1996 in the row labeled "State Employees' Retirement Fund of the State of Delaware" in the table of Selling Holders on page 39 is reduced from \$1,145,000 to \$900,000.
- 11) The Principal Amount of Registered Notes held as of July 15, 1996 in the row labeled "SAIF Corporation" in the table of Selling Holders on page 39 is reduced from \$1,945,000 to \$720,000.
- 12) The Principal Amount of Registered Notes held as of July 15, 1996 in the row labeled "Oregon Equity Fund" in the table of Selling Holders on page 39 is reduced from \$1,800,000 to \$1,575,000.
- 13) The name of "How & Co." in the table of Selling Holders on page 39 is changed to the name of "Nalco Chemical Co."
- 14) The amount in the row labeled "Any other holder of Notes or future transferee from any such holder" on page 40 of the table of Selling Holders is reduced from \$90,014,700 to \$61,978,700.
- 15) An additional footnote with respect to Goldman, Sachs & Co. is added on page 40 stating: "As of August 12, 1996,

Goldman, Sachs & Co. beneficially owned \$12,177,000 in aggregate principal amount of Registered Notes."

- 16) An additional footnote with respect to The Northwestern Mutual Life Insurance Company is added on page 40 stating: "As of August 12, 1996, The Northwestern Mutual Life Insurance Company beneficially owned \$5,000,000 in aggregate principal amount of Registered Notes."
- 17) Footnote number (3) on page 40 with respect to the holdings of HBK Finance, L.P. is amended to read as follows: "As of August 12, 1996, HBK Finance, L.P. beneficially owned \$6,250,000 in aggregate principal amount of Registered Notes."
- 18) The footnotes numbered (6), (7) and (10) on page 40 with respect to the holdings of SAIF Corporation, Oregon Equity Fund and State Employees' Retirement Fund of the State of Delaware, respectively, are deleted in their entirety.
- 19) Footnote number (8) on page 40 with respect to the holdings of HBK Securities Ltd. is amended to read as follows: "As of August 12, 1996, HBK Securities Ltd. beneficially owned \$4,575,000 in aggregate principal amount of Registered Notes."
- 20) Footnote number (9) on page 40 with respect to the holdings of HBK Securities Ltd. is amended to read as follows: "As of July 15, 1996, Bear Stearns Securities Corp. was the holder of record of \$175,000 and Prime Dealer Services Inc. was the holder of record of \$1,000,000 of the \$1,175,000 in aggregate principal amount of Registered Notes that was beneficially owned by HBK Securities Ltd.; and as of August 12, 1996, Bear Stearns Securities Corp. was the holder of record of \$2,825,000 and Prime Dealer Services Inc. was the holder of record of \$1,750,000 of the \$4,575,000 in aggregate principal amount of Registered Notes that was beneficially owned by HBK Securities Ltd."
- 21) Footnote number (13) on page 40 with respect to the holdings of HBK Main Street Investments, L.P. is amended to read as follows: "As of August 12, 1996, HBK Main Street Investments, L.P. beneficially owned \$7,475,000 in aggregate principal amount of Registered Notes."

The date of this Prospectus Supplement is September 11, 1996.