SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

CONTINENTAL AIRLINES, INC.
(Name of Issuer)

CLASS A COMMON STOCK, $0.01 PAR VALUE
(Title of Class of Securities)

210795209
(CUSIP Number)

DOUGLAS M. STEENLAND
SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
NORTHWEST AIRLINES CORPORATION
2700 LONE OAK PARKWAY
EAGAN, MINNESOTA 55121
TELEPHONE: (612) 727-6500
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

APRIL 24, 1998
(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 [ ]

Note: Six copies of this Statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

(Continued on following pages)
Exhibit Index appears on Page A-1.

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* 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).

CUSIP No. 210795209

1. Name of Reporting Persons
S.S. or I.R.S. Identification No. of Above Person

Northwest Airlines Corporation (IRS Identification No. 95-4205287)

2. Check the Appropriate Box if a Member of a Group
(a)
(b)

3. SEC Use Only

4. Source of Funds
OO; WC (See Item 3)

5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)
[ ]

6. Citizenship or Place of Organization

State of Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. Sole Voting Power	-0-
	8. Shared Voting Power	9,514,868 shares
	9. Sole Dispositive Power	-0-
	10. Shared Dispositive Power	9,514,868 shares

11.	Aggregate Amount Beneficially Owned by Each Reporting Person 9,514,868 shares
12.	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares [ ]
13.	Percent of Class Represented by Amount in Row (11) Class A - 83.3% (1) (See Item 5)
14	Type of Reporting Person CO

(1) Assumes that there are 11,418,932 shares of Issuer Class A Common Stock outstanding.

This Amendment No. 2 (this "Amendment") amends and supplements the Statement on Schedule 13D (the "Schedule 13D") filed on February 4, 1998, as amended by Amendment No. 1 ("Amendment No. 1") filed on March 5, 1998, on behalf of Northwest Airlines Corporation, a Delaware corporation ("Northwest"), relating to the Class A Common Stock, $0.01 par value per share ("Issuer Class A Common Stock"), of Continental Airlines, Inc., a Delaware corporation (the "Issuer"). Capitalized terms used and not defined in this Amendment have the meanings set forth in the Schedule 13D.

This Amendment is being filed by Northwest in connection with the exercise, pursuant to the terms of the Investment Agreement, on April 24, 1998, by Air Partners, L.P., a Texas limited partnership (the "Partnership"), of warrants owned by it to purchase 3,039,468 shares of Issuer Class A Common Stock, which exercise was funded by a loan from Northwest to the Partnership in the amount of the aggregate exercise price of the warrants, $28,356,015. Such loan is secured by a pledge of such 3,039,468 shares of Issuer Class A Common Stock.

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

Item 3 of the Schedule 13D is hereby amended and supplemented by adding the following at the end thereof:

On April 24, 1998, the Partnership exercised the warrants owned by it to purchase 3,039,468 shares of Issuer Class A Common Stock, as more fully described in Item 5(c) herein, for an aggregate exercise price of $28,356,015. Pursuant to the terms of the Investment Agreement, Northwest extended a loan to the Partnership, evidenced by a promissory note, in the principal amount of the aggregate exercise price of the warrants. The cash was funded from Northwest's general working capital.

Item 5. INTEREST IN SECURITIES OF THE ISSUER.

Item 5 of the Schedule 13D is hereby amended and supplemented as follows:

(a) Item 5(b) of the Schedule 13D is amended by deleting in its entirety the last sentence under the heading "The Partnership" and replacing it with the following:

"As of April 24, 1998, the Partnership and the Transferors beneficially own 8,535,868 shares of Issuer Class A Common Stock."

(b) Item 5(c) of the Schedule 13D is amended by adding the following at the end thereof:

Pursuant to the terms of the Investment Agreement, on April 24, 1998, the Partnership exercised the warrants owned by it to purchase 3,039,468 shares of Issuer Class A Common Stock. The Partnership purchased 2,298,134 shares of Issuer Class A Common Stock at an exercise price of $7.50 per share, and 741,334 shares of Issuer Class A Common Stock at an exercise price of $15.00 per share.

Since March 2, 1998, except as set forth in this paragraph (c), no transactions were effected in Issuer Class A Common Stock by Northwest, or, to the best of its knowledge, any person listed in Attachment A attached to the Schedule 13D.

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

Item 6 of the Schedule 13D is hereby amended and supplemented by adding the following at the end thereof:

EXERCISE OF THE WARRANTS

In connection with the exercise of the warrants described in Item 5(c) above, on April 24, 1998, the Partnership received from Northwest, pursuant to the terms of the Investment Agreement, funds in an amount equal to the aggregate exercise price of the warrants. The obligation of the Partnership to repay such loan is evidenced by a promissory note, dated as of April 24, 1998, executed and delivered by the Partnership and payable to Northwest, a copy of which is attached hereto as Exhibit 6. The promissory note is secured by a pledge of the 3,039,468 shares of Issuer Class A Common Stock issued to the Partnership upon exercise of the warrants. A copy of the Pledge Agreement, dated as of April 24, 1998 (the "Pledge Agreement"), between Northwest and the Partnership, is attached hereto as Exhibit 7.

VOTING OF THE ISSUER CLASS A COMMON STOCK

As described above under "Investment Agreement--Restrictions on the Partnership", Northwest has the right to direct the vote of the shares of Issuer Class A Common Stock held by the Partnership with respect to certain changes to the Issuer's capital structure. At its annual meeting of stockholders to be held on May 21, 1998, the Issuer is seeking the vote of its stockholders with respect to a proposal to approve its 1998 Stock Incentive Plan. Northwest has informed the Issuer that it intends to cause the 5,496,400 shares of Issuer Class A Common Stock held by the Partnership and outstanding on the record date in connection with such annual meeting to be voted with respect to such proposal in the same proportion as the votes cast by other holders of voting securities of the Issuer.

Except for the promissory note and the Pledge Agreement, and as otherwise referred to or described in this Amendment, Amendment No. 1 and the Schedule 13D, to the

best knowledge of Northwest, there are no other contracts, arrangements, understandings or relationships (legal or otherwise) between Northwest and any other person, with respect to any securities of the Issuer.

Item 7. MATERIAL TO BE FILED AS EXHIBITS.

Item 7 of the Schedule 13D is hereby amended and supplemented by adding the following at the end thereof:

Exhibit 6 Promissory Note executed by Air Partners L.P. and payable to Northwest Airlines Corporation, dated as of April 24, 1998.

Exhibit 7 Pledge Agreement between Northwest Airlines Corporation and Air Partners, L.P., dated as of April 24, 1998.

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

Dated: May 1, 1998

NORTHWEST AIRLINES CORPORATION

By: /s/ Douglas M. Steenland

Douglas M. Steenland
Senior Vice President, General
Counsel and Secretary

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 6	Promissory Note executed by Air Partners L.P. and payable to Northwest Airlines Corporation, dated as of April 24, 1998.
Exhibit 7	Pledge Agreement between Northwest Airlines Corporation and Air Partners, L.P., dated as of April 24, 1998.

Exhibit 6

PROMISSORY NOTE

$28,356,015.00 New York, New York
April 24, 1998

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE, AND MAY NOT BE REOFFERED OR SOLD UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

FOR VALUE RECEIVED, the undersigned, AIR PARTNERS, L.P., a Texas limited partnership (the "PARTNERSHIP"), promises to pay to NORTHWEST AIRLINES CORPORATION, a Delaware corporation ("PARENT"), at 2700 Lone Oak Parkway, Eagan, Minnesota 55121 (or at such other place as Parent shall notify the Partnership in writing), without setoff or counterclaim, the principal amount of TWENTY-EIGHT MILLION THREE HUNDRED FIFTY-SIX THOUSAND FIFTEEN DOLLARS AND NO CENTS ($28,356,015.00) at the earlier to occur of (i) the date the Investment Agreement, dated as of January 25, 1998 (the "AGREEMENT"; capitalized terms used and not specifically defined herein shall have the meanings set forth in the Agreement), among Parent, Newbridge Parent Corporation, the Partnership, the Partners of the Partnership named therein and the Transferors named therein, is terminated in accordance with its terms and (ii) the Closing and to pay interest on the unpaid principal balance hereunder (such principal amount, the "LOAN") (A) for any period ending on or prior to July 25, 1998 at the Revolving Interest Rate and (B) for any period from and including July 25, 1998, at a rate of 10% per annum. If the Closing occurs, the aggregate Cash Election Share Price payable and/or the aggregate number of Exchange Shares to be delivered by Parent and Holdco Sub at the Closing shall be reduced by the amount of principal and interest payable by the Partnership hereunder (the "PAYOFF AMOUNT") in respect of each Partner in proportion to each Partner's allocable share of the Payoff Amount, the determination of the portion of the Payoff Amount allocable to the Cash Electing Partners and the Share Electing Partners to be made by the Partnership and notified to Parent in writing at least three Business Days in advance of the Closing. Any reduction in the Exchange Shares to be issued shall be based on the average closing price for the Parent Class A Common Stock as of the close of business for each of the ten trading days ending on and including the third Business Day preceding the Closing Date. In the event the Agreement is terminated, this Note shall be repaid in full in cash. In the event that any amount payable hereunder is not paid when due, such amount shall bear interest at a rate per annum equal to the rate per annum applicable to the unpaid principal balance hereof, as described above, plus 2% per annum.

Interest shall accrue from and including the date hereof to but excluding the date of payment, and shall be calculated on the basis of a 365-day year. All accrued but unpaid interest shall in any event be paid in full in cash, shares of Holdco Sub Class A Common Stock or a combination thereof (in accordance with the preceding paragraph), as the

case may be, on the earlier to occur of (i) the Closing, (ii) the date the Agreement is terminated in accordance with its terms and (iii) the date on which the Loan becomes due by acceleration or otherwise; PROVIDED, HOWEVER, in the event the Agreement is terminated, all accrued and unpaid interest shall be repaid in full in cash. For purposes of this Note, if any day referenced herein shall not be a Business Day, such reference shall be deemed to be the next succeeding Business Day.

This Note may be prepaid in whole or in part at any time without premium or penalty. Each payment under this Note shall first be credited to accrued and unpaid interest, and the remainder shall be credited to principal. All interest due hereunder shall be paid to the date of payment on the principal amount prepaid. All cash payments (including prepayments) to be made by the Partnership hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to the close of business on the due date thereof to or for the account of Parent at 2700 Lone Oak Parkway, Eagan, Minnesota 55121 (or at such other place as Parent shall notify the Partnership in writing), in dollars in lawful currency of the United States of America and in immediately available funds.

All payments of principal, interest and any other amounts hereunder by the Partnership shall be made free and clear of, and without deduction or withholding for, any and all present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature whatsoever, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority (the foregoing, "TAXES").

If any of the following events (each, an "EVENT OF DEFAULT") shall occur and be continuing:

(a) The Partnership shall fail to pay any principal hereunder when due in accordance with the terms hereof; or the Partnership shall fail to pay any interest in respect of the Loan, or any other amount payable hereunder, when any such interest or other amount becomes due in accordance with the terms hereof; or

(b) (i) The Partnership shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Partnership shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Partnership any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Partnership any case, proceeding or other action seeking issuance of a warrant of attachment, execution, restraint or similar

process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Partnership shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Partnership shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (b) above with respect to the Partnership, automatically the Loan (with accrued interest thereon) and all other amounts owing under this Note shall immediately become due and payable, and (B) if such event is any other Event of Default, Parent may, in its sole discretion by notice to the Partnership, declare the Loan (with accrued interest thereon) and all other amounts owing under this Note to be due and payable forthwith, whereupon the same shall immediately become due and payable, and Parent may avail itself of all other remedies of a secured creditor, including as set forth under the Pledge Agreement dated as of the date hereof among Parent, the Partnership and the Partners.

The Partnership agrees (a) to pay or reimburse Parent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Note and any other documents related hereto, including, without limitation, the fees and disbursements of counsel and (b) to pay, indemnify, and hold Parent harmless from, any and all recording and filing fees, stamp or similar taxes or duties or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Note. The agreements in this paragraph shall survive repayment of the Loan and all other amounts payable hereunder.

The right to plead any and all statutes of limitation as a defense to a demand hereunder is hereby waived to the full extent permitted by law. None of the provisions hereof and none of Parent's rights or remedies hereunder on account of any past or future defaults shall be deemed to have been waived by Parent's acceptance of any past due installments or by any indulgence granted by Parent to the Partnership. The Partnership, for itself and any guarantors hereof, and their successors and assigns, waives presentment, demand, protest and notice thereof or of dishonor, and waives any right to be released by reason of any extension of time or change in the terms of payment or any change, alteration or release of any security given for the payment hereof.

The Partnership hereby irrevocably and unconditionally (i) submits for itself and its property in any legal action or proceeding relating to or arising from this Note, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the United States of America sitting in the Southern District of New York or, in the absence of Federal jurisdiction, the Commercial Part of the Supreme Court of the State of New York for New York County, and appellate courts from any thereof; (ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and

agrees not to plead or claim the same; (iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Partnership at its address previously notified to Parent; and (iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other appropriate jurisdiction.

The terms of this Note may be amended, supplemented or modified only with the written consent of Parent and the Partnership. Neither this Note nor any of the rights, interests or obligations under this Note shall be assigned, in whole or in part, by operation of law or otherwise by either of the parties without the prior written consent of the other party. The Note will be binding upon and, inure to the benefit of, and be enforceable by, the parties and their respective successors, assigns and heirs.

The Partnership hereby represents and warrants to Parent that (i) the execution, delivery and performance by the Partnership of the Note and its obligations hereunder have been duly authorized by all necessary Partnership action, and by all necessary action on the part of each Partner; (ii) no consent or authorization of, filing with, notice to or other act by or in respect of, any governmental authority or any other person is required in connection with the borrowing hereunder or with the execution, delivery, performance, validity or enforceability of this Note except consents, authorizations, filings and notices that have been obtained or made and are in full force and effect; (iii) this Note constitutes a valid and binding obligation of the Partnership, enforceable against the Partnership in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding at equity or at law) and (iv) the execution, delivery and performance by the Partnership of this Note, the borrowing hereunder, the use of the proceeds thereof and the compliance by the Partnership with any of the provisions hereof will not violate any material requirement of law or any material contractual obligation of the Partnership or conflict with or result in any breach of any applicable trust or other organizational documents applicable to the Partnership.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the Partnership has caused this Note to be duly executed the day and year first year above written.

AIR PARTNERS, L.P.

By: 1992 Air GP, managing
general partner
By: 1992 Air, Inc., managing
partner

By: /s/ James J. O'Brien

Name: James J. O'Brien
Title: Vice President

Exhibit 7

PLEDGE AGREEMENT

PLEDGE AGREEMENT, dated as of April 24, 1998, by and between NORTHWEST AIRLINES CORPORATION, a Delaware corporation ("PARENT"), AIR PARTNERS, L.P., a Texas limited partnership (the "PARTNERSHIP").

W I T N E S S E T H:

WHEREAS, Parent, Newbridge Parent Corporation, a Delaware corporation, the Partnership, the Partners of the Partnership named therein and the Transferors named therein entered into an Investment Agreement, dated as of January 25, 1998 (the "INVESTMENT AGREEMENT");

WHEREAS, pursuant to Section 2.3(a) of the Investment Agreement, Parent has agreed to extend a loan to the Partnership (the "LOAN") in the principal amount of TWENTY-EIGHT MILLION THREE HUNDRED FIFTY-SIX THOUSAND FIFTEEN DOLLARS AND NO CENTS ($28,356,015.00) (the "LOAN AMOUNT") to fund the purchase of the Warrants, which loan is evidenced by a note (the "NOTE"); and

WHEREAS, the obligation of Parent to make the Loan is conditioned upon, among other things, the execution and delivery by the Partnership of a Pledge Agreement in the form hereof;

NOW, THEREFORE, in consideration of the premises and to induce Parent to make the Loan to the Partnership, the parties agree as follows:

1. DEFINED TERMS. Unless otherwise defined herein, terms defined in the Investment Agreement and used herein shall have the meanings given to them in the Investment Agreement.

(b) The following terms shall have the following meanings:

"AGREEMENT" means this Pledge Agreement, as the same may be amended, modified or otherwise supplemented from time to time.

"CODE" means the Uniform Commercial Code from time to time in effect in the State of New York.

"COLLATERAL" means the Pledged Stock and all Proceeds.

"COLLATERAL ACCOUNT" means any account established to hold money Proceeds, maintained under the sole dominion and control of the Partnership.

"OBLIGATIONS" means the collective reference to:

(a) the unpaid principal of and interest on the Loan and all other obligations and liabilities of the Partnership to Parent (including, without limitation, interest accruing at the then applicable rate provided in the Note after the maturity of the Loan and interest accruing at the then applicable rate provided in the Note after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Partnership, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Note, this Agreement or any other document made, delivered or given in connection therewith; and

(b) all obligations and liabilities of the Partnership which may arise under or in connection with this Agreement;

in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to Parent that are required to be paid by the Partnership pursuant to the terms of this Agreement).

"PLEDGED STOCK" means the shares of capital stock listed on Schedule 1 hereto, which shall be all shares of Company Class A Common Stock issued to the Partnership upon exercise of the Warrants, together with all stock certificates, securities, options or rights of any nature whatsoever that may be issued or granted by the Company to the Partnership in respect of the Pledged Stock while this Agreement is in effect.

"PROCEEDS" means all "proceeds" as such term is defined in Section 9-306(1) of the Uniform Commercial Code in effect in the State of New York on the date hereof and, in any event, shall include, without limitation, all dividends or other income from the Pledged Stock, collections thereon or distributions with respect thereto.

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section and paragraph references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Loan. The Partnership hereby confirms its promise to pay the Loan Amount to the order of Parent at the earlier to occur of (i) the Closing and (ii) the date the Investment

Agreement is terminated in accordance with its terms, in cash in the event the Investment Agreement is terminated in accordance with its terms or in cash and/or shares of Holdco Sub Class A Common Stock, as the Partners so determine, in the event the Closing occurs.

3. PLEDGE; GRANT OF SECURITY INTEREST. The Partnership hereby delivers to Parent all the Pledged Stock and hereby grants to Parent a first security interest in the Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

4. STOCK POWERS. Concurrently with the delivery to Parent of each certificate representing one or more shares of Pledged Stock, the Partnership shall deliver an undated stock power covering such certificate, duly executed in blank by the Partnership.

5. REPRESENTATIONS AND WARRANTIES. The Partnership represents and warrants that:

(a) The Partnership is the direct and record owner of the Pledged Stock. The Partnership has, and at the Closing will have, good and valid title to the Pledged Stock, free and clear of any Liens or Restrictions, except the security interest arising under this Agreement. The Partnership has the sole voting power, and sole power of disposition, with respect to the Pledged Stock, and there are no restrictions on the Partnership's ability to transfer the Pledged Stock.

(b) Upon delivery to Parent of the stock certificates evidencing the Pledged Stock, the security interest created by this Agreement will constitute a valid, perfected first priority security interest in the Collateral, enforceable in accordance with its terms against all creditors of the Partnership and any Persons purporting to purchase any Collateral from the Partnership (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding at equity or at law).

(c)(i) The execution, delivery and performance by the Partnership of this Agreement and its obligations hereunder have been duly authorized by all necessary Partnership action, and by all necessary action on the part of each Partner; (ii) no consent or authorization of, filing with, notice to or other act by or in respect of, any governmental authority or any other person is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement except consents, authorizations, filings and notices that have been obtained or made and are in full force and effect; (iii) this Agreement constitutes a valid and binding obligation of the Partnership, enforceable against the Partnership in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding at equity or at law) and (iv) the execution, delivery and performance by the Partnership of this Agreement

and the compliance by the Partnership with any of the provisions hereof will not violate any material requirement of law or any material contractual obligation of the Partnership or conflict with or result in any breach of any applicable trust or other organizational documents applicable to the Partnership.

6. COVENANTS. The Partnership covenants and agrees with Parent that, from and after the date of this Agreement until this Agreement is terminated and the security interests created hereby are released:

(a) Without in any way limiting Section 4.2(b) of the Investment Agreement, which is incorporated herein in its entirety, without the prior written consent of Parent, the Partnership will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, the Collateral, create, incur or permit to exist any Lien or Restriction in favor of, or any claim of any Person with respect to, any of the Collateral, or any interest therein, except for the security interests created by this Agreement or enter into any agreement or undertaking restricting the right or ability of the Partnership or Parent to sell, assign or transfer any of the Collateral.

(b) The Partnership shall maintain the security interest created by this Agreement as a first, perfected security interest and shall defend such security interest against claims and demands of all Persons whomsoever. At any time and from time to time, upon the written request of Parent and at the sole expense of the Partnership, the Partnership will promptly and duly execute or cause to be executed and deliver such further instruments and documents and take such further actions as Parent may reasonably request for the purposes of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted.

(c) The Partnership shall pay, and save Parent harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

7. CASH DIVIDENDS; VOTING RIGHTS. Unless an Event of Default shall have occurred and be continuing and Parent shall have given notice to the Partnership of Parent's intent to exercise its corresponding rights pursuant to Section 8 below, the Partnership shall be permitted to receive all cash dividends paid in the normal course of business of the Company and consistent with past practice in respect of the Pledged Stock and, subject to the provisions of the Investment Agreement, to exercise all voting and corporate rights with respect to the Pledged Stock; PROVIDED, HOWEVER, that no vote shall be cast or corporate right exercised or other action taken which, in Parent's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Note or this Agreement.

8. RIGHTS OF PARENT. If an Event of Default (as defined in the Note) shall occur, (1) Parent shall have the right to receive any and all cash dividends paid in respect of the

Pledged Stock and make application thereof to the Obligations in such order as Parent may determine, and (2) subject to applicable law (including the HSR Act and any other governmental approvals that may be required in connection therewith), all shares of the Pledged Stock shall be registered in the name of Parent or its nominee, and Parent or its nominee may thereafter exercise (A) all voting, corporate and other rights pertaining to such shares of the Pledged Stock at any meeting of shareholders of the Company or otherwise and (B) any and all rights of conversion, exchange, subscription and any other rights, privileges or options pertaining to such shares of the Pledged Stock as if it were the absolute owner thereof, all without liability except to account for property actually received by it, but Parent shall have no duty to the Partnership to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

9. REMEDIES. (a) If an Event of Default shall have occurred, at any time at Parent's election, Parent may apply all or any part of Proceeds held in any Collateral Account in payment of the Obligations in such order as Parent may elect.

(b) If an Event of Default shall have occurred, Parent may exercise all other rights and remedies granted in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, and all rights and remedies of a secured party under the Code. Without limiting the generality of the foregoing, Parent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Partnership or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or office of Parent or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. Parent shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in the Partnership, which right or equity is hereby waived or released. Parent shall apply any Proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred in respect thereof or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Parent hereunder, including, without limitation, reasonable attorneys' fees and disbursements of counsel to Parent, to the payment in whole or in part of the Obligations, in such order as Parent may elect, and only after such application and after the payment by Parent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the Code, need Parent account for the surplus, if any, to the Partnership. To the extent permitted by applicable law, the Partnership waives all claims, damages and demands it may acquire against Parent arising out of the exercise by

them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition. The Partnership waives and agrees not to assert any rights or privileges which it may acquire under Section 9-112 of the Code.

10. REGISTRATION RIGHTS; PRIVATE SALES. If Parent shall determine to exercise its right to sell any or all of the Pledged Stock pursuant to Section 9 hereof, and if in the opinion of Parent it is necessary or advisable to have the Pledged Stock, or that portion thereof to be sold, registered under the provisions of the Securities Act, the Partnership will use its reasonable best efforts to cause the Company to execute and deliver, and cause the directors and officers of the Company to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts as may be, in the opinion of Parent, necessary or advisable to register the Pledged Stock, or that portion thereof to be sold, under the provisions of the Securities Act, to use its best efforts to cause the registration statement relating thereto to become effective and to remain effective for a period of one year from the date of the first public offering of the Pledged Stock, or that portion thereof to be sold, and to make all amendments thereto and/or to the related prospectus which, in the opinion of Parent, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto. The Partnership agrees to use its best efforts to cause the Company to comply with the provisions of the securities or "Blue Sky" laws of any and all jurisdictions which Parent shall designate and to make available to its security holders, as soon as practicable, an earnings statement (which need not be audited) which will satisfy the provisions of Section 11(a) of the Securities Act.

(b) The Partnership recognizes that Parent may be unable to effect a public sale of any or all the Pledged Stock, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, by reason of other rules and regulations of Governmental Authorities or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. The Partnership acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Parent shall be under no obligation to delay a sale of any of the Pledged Stock for the period of time necessary to permit the Company to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if the Company would agree to do so.

(c) The Partnership further agrees to use its best efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of all or any portion of the Pledged Stock pursuant to this Section valid and binding and in compliance with any and all other applicable requirements of law. The Partnership further agrees that a breach of any of

the covenants contained in this Section will cause irreparable injury to Parent, that Parent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against the Partnership, and the Partnership hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under the Note.

11. PARENT APPOINTMENT AS ATTORNEY-IN-FACT. (a) The Partnership hereby irrevocably constitutes and appoints, upon the occurrence of an Event of Default, Parent and any officer or agent of Parent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in its place and stead, in its name or in Parent's own name, from time to time in Parent's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, including, without limitation, any financing statements, endorsements, assignments or other instruments of transfer.

(b) The Partnership hereby ratifies all that said attorneys shall lawfully do or cause to be done pursuant to the power of attorney granted in paragraph 11(a). All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

12. EXECUTION OF FINANCING STATEMENTS. Pursuant to Section 9-402 of the Code, the Partnership authorizes Parent to file financing statements with respect to the Collateral without the signature of the Partnership in such form and in such filing offices as Parent reasonably determines appropriate to perfect the security interests of Parent under this Agreement.

13. SEVERABILITY. If any provision of this Agreement shall be declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement shall not be affected and shall remain in full force and effect.

14. AMENDMENTS IN WRITING; NO WAIVER; CUMULATIVE REMEDIES. (a) None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Partnership and Parent.

(b) Parent shall not by any act (except by a written instrument pursuant to paragraph 14(a) hereof), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of Parent, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by

Parent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Parent would otherwise have on any future occasion.

(c) The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

15. SECTION HEADINGS. The titles and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

16. SUCCESSORS AND ASSIGNS. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by either of the parties without the prior written consent of the other party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

17. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AS APPLIED TO CONTRACTS ENTERED AND TO BE PERFORMED IN NEW YORK AND WITHOUT REGARD TO THE APPLICATION OF PRINCIPLES OF CONFLICTS OF LAWS.

18. TERMINATION AND RELEASE. This Agreement and the security interests granted hereby shall terminate when all the Obligations have been indefeasibly paid in full in accordance with the Note in cash and/or shares of Holdco Sub Class A Common Stock, as the case may be.

19. SUBMISSION TO JURISDICTION. The Partnership hereby irrevocably and unconditionally (i) submits for itself and its property in any legal action or proceeding relating to or arising from this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the United States of America sitting in the Southern District of New York or, in the absence of Federal jurisdiction, the Commercial Part of the Supreme Court of the State of New York for New York County, and appellate courts from any thereof; (ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Partnership at its address previously notified to Parent; and (iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other appropriate jurisdiction.

20. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become a binding

agreement when one or more counterparts have been signed by each party and delivered to the other party.

[Rest of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed and delivered as of the date first above written.

NORTHWEST AIRLINES CORPORATION

By: /s/ Douglas M. Steenland

Name: Douglas M. Steenland
Title: Senior Vice President, General Counsel and Secretary

AIR PARTNERS, L.P.

By: 1992 Air GP, managing general partner
By: 1992 Air, Inc., managing partner

By: /s/ James J. O'Brien

Name: James J. O'Brien
Title: Vice President

SCHEDULE 1 TO
PLEDGE AGREEMENT

DESCRIPTION OF PLEDGED STOCK

Issuer	Class of Stock	Stock Certificate No.	No. of Shares
Continental Airlines, Inc.	Class A Common Stock		3,039,468