SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
July 13, 2001

CONTINENTAL AIRLINES, INC.
(Exact name of registrant as specified in its charter)

Delaware	0-09781	74-2099724
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
1600 Smith Street, Dept. HQSEO, Houston, Texas		77002
(Address of principal executive offices)		(Zip Code)

(713) 324-5000
(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits.

(c) Exhibits. The Exhibit Index is hereby incorporated by reference. The documents listed on the Exhibit Index are filed as Exhibits with reference to the Registration Statement on Form S-3 (Registration No. 333-57188) of Continental Airlines, Inc. for the purpose of incorporating such documents by reference in (i) a preliminary Prospectus Supplement, to be dated on or after the date hereof, to the Prospectus, dated March 23, 2001, and (ii) a final Prospectus Supplement, to be dated on or after the date hereof, to such Prospectus. The Registration Statement, the preliminary Prospectus Supplement and the final Prospectus Supplement relate to the offering of Continental Airlines, Inc.'s Class D Pass Through Certificates, Series 2001-2.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Continental Airlines, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONTINENTAL AIRLINES, INC.

By /s/ JENNIFER L. VOGEL
Jennifer L. Vogel
Vice President and General Counsel

July 13, 2001

EXHIBIT INDEX

99.1	Appraisal Report for the 1997-4 Series of Aircraft Information Services, Inc., dated October 6, 1997
99.2	Appraisal Report for the 1997-4 Series of BK Associates, Inc., dated October 6, 1997
99.3	Appraisal Report for the 1997-4 Series of Morten Beyer and Agnew, Inc., dated October 6, 1997
99.4	Appraisal Report for the 1998-1 Series of Aircraft Information Services, Inc., dated February 5, 1998
99.5	Appraisal Report for the 1998-1 Series of Aircraft Information Services, Inc., dated February 11, 1998
99.6	Appraisal Report for the 1998-1 Series of BK Associates, Inc., dated January 29, 1998
99.7	Appraisal Report for the 1998-1 Series of BK Associates, Inc., dated February 10, 1998
99.8	Appraisal Report for the 1998-1 Series of Morten Beyer and Agnew, Inc., dated February 5, 1998
99.9	Appraisal Report for the 1998-1 Series of Morten Beyer and Agnew, Inc., dated February 11, 1998
99.10	Appraisal Report for the 1998-3 Series of Aircraft Information Services, Inc., dated August 27, 1998, revised October 1, 1998
99.11	Appraisal Report for the 1998-3 Series of AvSolutions, Inc., dated October 1, 1998
99.12	Appraisal Report for the 1998-3 Series of Morten Beyer and Agnew, Inc., dated October 1, 1998
99.13	Appraisal Report for the 1999-1 Series of Aircraft Information Services, Inc., dated December 8, 1998
99.14	Appraisal Report for the 1999-1 Series of AvSolutions, Inc., dated December 8, 1998
99.15	Appraisal Report for the 1999-1 Series of Morten Beyer and Agnew, Inc., dated December 8, 1998
99.16	Appraisal Report for the 1999-2 Series of Aircraft Information Services, Inc., dated May 19, 1999
99.17	Appraisal Report for the 1999-2 Series of AvSolutions, Inc., dated May 19, 1999
99.18	Appraisal Report for the 1999-2 Series of Morten Beyer and Agnew, Inc., dated May 19, 1999
99.19	Appraisal Report for the 2000-1 Series of Aircraft Information Services, Inc., dated February 23, 2000
99.20	Appraisal Report for the 2000-1 Series of AvSolutions, Inc., dated February 23, 2000
99.21	Appraisal Report for the 2000-1 Series of Morten Beyer and Agnew, Inc., dated January 17, 2000
99.22	Appraisal Report for the 2000-2 Series of Aircraft Information Services, Inc., dated October 31, 2000

99.23 Appraisal Report for the 2000-2 Series of Avitas, Inc., dated October 31, 2000

99.24 Appraisal Report for the 2000-2 Series of Morten Beyer and Agnew, Inc., dated October 31, 2000

[AIRCRAFT INFORMATION SERVICES, INC. LOGO]

06 October 1997

Continental Airlines
2929 Allen Parkway
Houston, TX 77019

Subject: AISI Report No.: A7D098BVO
AISI Sight Unseen New Aircraft Base Value Appraisal, Five B737-500, Six B737-700, Ten B737-800 and Three B777-200IGW Aircraft.

Dear Gentlemen:

In response to your request, Aircraft Information Services, Inc. (AISI) is pleased to offer Continental Airlines our opinion of the sight unseen base market value of various new aircraft scheduled to be delivered from the manufacturer to Continental Airlines between April 1998 and November 1998 as listed and defined in Table I.

1. METHODOLOGY AND DEFINITIONS

The method used by AISI in its valuation of the Aircraft was based both on a review of information and Aircraft specifications supplied by Continental Airlines and also on a review of present and past market conditions, various expert opinions (such as aircraft brokers and financiers) and information contained in AISI's databases that help determine aircraft availability and price data and thus arrive at the appraised base values for the new aircraft to be delivered to Continental Airlines.

The historical standard term of reference for commercial aircraft value has been 'half-life fair market value' of an 'average' aircraft. However, 'fair market value' could mean a fair value in the given market or a value in a hypothetical 'fair' or balanced market, and the two definitions are not equivalent. Recently, the term 'base value' has been created to describe the theoretical balanced market condition and to avoid the potentially misleading term 'fair market value' which has now become synonymous with the term 'current market value' or a 'fair' value in the actual current market. AISI value definitions are consistent with those of the International Society of Transport Aircraft Trading (ISTAT) of 01 January 1994; AISI is a member of that organization and employs an ISTAT Certified Senior Aircraft Appraiser.

AISI defines a 'base value' as that of a transaction between equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, and with supply and demand of the sale item roughly in balance. Base

[AIRCRAFT INFORMATION SERVICES, INC. LOGO]

values are typically given for aircraft in 'new' condition, 'average half-life' condition, or in a specifically described condition unique to a single aircraft at a specific time. An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. AISI assumes average condition unless otherwise specified in this report. 'Half-life' condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval. It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a 'current market value' or 'fair market value' as that value which reflects the real market conditions, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term time constraint to buy or sell.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

2. VALUATION

Following is AISI's opinion of the base market value for the subject aircraft on their respective scheduled delivery dates in current USDollars. Valuations are presented in Table I subject to the assumptions, definitions and disclaimers herein.

[AIRCRAFT INFORMATION SERVICES, INC. LOGO]

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. Such conclusions and opinions are judgments that reflect conditions and values which are current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any parties action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ Fred E. Bearden
Fred E. Bearden
President
FB/JDM/jm

[AIRCRAFT INFORMATION SERVICES, INC. LOGO]

Continental Airlines - AISI File # A7D098BVO
October 6, 1997

TABLE I

Scheduled Manufacturer's Delivery Date	Aircraft Tail Number	Current USDollars Delivery Base Value
B737-500, CFM56-3B1 ENGINES, 129,500LB MTOW		
Apr-98	656	$33,660,000
May-98	657	$33,740,000
Jun-98	658	$33,830,000
Jul-98	659	$33,910,000
Aug-98	660	$33,990,000
B737-700 CFM56-7B24 ENGINES, 153,000LB MTOW		
Apr-98	705	$40,880,000
Apr-98	706	$40,880,000
Apr-98	707	$40,880,000
Apr-98	708	$40,880,000
Aug-98	709	$41,280,000
Aug-98	710	$41,280,000
B737-800, CFM56-7B26 ENGINES, 172,500LB MTOW		
May-98	201	$45,160,000
May-98	202	$45,160,000
May-98	203	$45,160,000
Jun-98	204	$45,270,000
Jun-98	205	$45,270,000
Jun-98	206	$45,270,000
Jul-98	207	$45,380,000
Jul-98	208	$45,380,000
Jul-98	209	$45,380,000
Aug-98	210	$45,490,000
B777-2001GW, GE90 ENGINES, 580,000LB MTOW		
Sep-98	001	$138,670,000
Oct-98	002	$139,000,000
Nov-98	003	$139,330,000

BK ASSOCIATES, INC.
1295 Northern Boulevard
Manhasset, New York 11030
(516) 366-6272 - Fax (516) 365-6287

October 6,1997

Continental Airlines
2929 Allen Parkway
Houston, TX 77019

Gentlemen:

In response to your request, BK Associates, Inc. is pleased to provide this opinion on the base value (BV) as of October 1997 on each of five B737-524, six B737-724, 10 B737-824 and three B777-200 aircraft (Aircraft), which are expected to be delivered to Continental Airlines between April 1998 and November 1998. The B777 aircraft are each powered by two General Electric GE90 series engines, the B737-724 by CFM International CFM56-7B24, the B737-524 by CFM56-3B1, and the B737-824 by CFM56-7B26 engines.

Set forth below is a summary of the methodology, considerations and assumptions utilized in this appraisal.

CURRENT FAIR MARKET VALUE

According to the International Society of Transport Aircraft Trading's (ISTAT) definition of fair market value, to which BK Associates subscribes, the quoted fair market value is the Appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The fair market value assumes that the aircraft is valued for its highest and best use, that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers, which BK Associates considers to be 12 to 18 months.

BASE VALUE

Base value is the Appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm's length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

VALUE METHODOLOGY

Fair market valuations are determined based upon one of three methods: comparable recent sales, replacement cost or rate of return to investor. In this appraisal, BK used the comparable sales method, which is the most common method, in determining the base values of the Aircraft. This method uses industry data to ascertain the prices realized in recent sales of comparable models. The fair market value of the base Aircraft is based on BK's familiarity with the aircraft type, its earnings potential in commercial service, its knowledge of its capabilities and the uses to which it will be put worldwide, its knowledge of the marketing of used aircraft, and the factors affecting the fair market value of such aircraft, and on its knowledge of the asking, offered and transaction prices for similar competitive, and alternative equipment, as well as transactions and negotiations involving basically identical aircraft. These realizations, however, which reflect the market supply and demand at the time of sale, are subject to minor adjustments for other conditions existing at the time of the appraisal. In this respect, we consider the market for the Aircraft to be in reasonable balance at this time, and thus, the fair market value is equal to the base value. In addition, values were adjusted for engine type and maximum gross takeoff weights (MGTOW). In arriving at the base value, BK considered the impact of many factors affecting the market for used aircraft, including: the suitability and operating economies of the aircraft, regulatory factors, and recent sales experience.

LIMITING CONDITIONS AND ASSUMPTIONS

BK has neither inspected the Aircraft nor their maintenance records but relied upon information supplied by you and from BK's own database. In determining the base market value of a used aircraft, the following assumptions apply to the base aircraft:

1. Unless it is new, the aircraft has half-time remaining to its next major overhauls or scheduled shop visit on its airframe, engines, landing gear and auxiliary power unit.

2. The aircraft is in compliance under a Federal Aviation Administration approved airline maintenance program, with all airworthiness directives, mandatory modifications and applicable service bulletins currently up to industry standard.

3. The interior of the aircraft is in a standard configuration for its specific type, with the buyer furnished equipment and options of the types and models generally accepted and utilized in the industry.

4. The aircraft is in current flight operations.

5. The aircraft is sold for cash without seller financing.

6. The Aircraft is in average or better condition.

7. There is no accident damage.

CONCLUSIONS

Based on the above methodology, considerations and assumptions, and since they are all new and not yet in service, it is our opinion that the base value of each aircraft as of its scheduled delivery date is as follows:

Model	Expected Date of Delivery	Registration Number	Base Value (Each)
B737-500	04/98	656	28,25O,000
B737-500	05/98	657	28,250,000
B737-500	06/98	658	28,250,000
B737-500	07/98	659	28,250,000
B737-500	08/98	660	28,250,000

Model	Expected Date of Delivery	Registration Number	Base Value (Each)
B737-700	04/98	705	37,750,000
B737-700	04/98	706	37,750,000
B737-700	04/98	707	37,750,000
B737-700	04/98	708	37,750,000
B737-700	08/98	709	37,750,000
B737-700	08/98	710	37,750,000
B737-800	05/98	201	43,600,000
B737-800	05/98	202	43,600,000
B737-800	05/98	203	43,600,000
B737-800	06/98	204	43,600,000
B737-800	06/98	205	43,600,000
B737-800	06/98	206	43,600,000
B737-800	07/98	207	43,600,000
B737-800	07/98	208	43,600,000
B737-800	07/98	209	43,600,000
B737-800	08/98	210	43,600,000
B777-200	09/98	001	120,000,000
B777-200	10/98	002	120,000,000
B777-200	11/98	003	120,000,000

BK Associates, Inc. has no present or contemplated future interest in the Aircraft, nor any interest that would preclude our making a fair and unbiased estimate. This appraisal represents the opinion of BK Associates, Inc. and reflects our best judgment based on the information available to us at the time of preparation and the time and budget constraints imposed by the client. It is not given as a recommendation, or as an inducement, for any financial transaction and further, BK Associates, Inc. assumes no responsibility or legal liability for any action taken or not taken by the addressee, or any other party, with regard to the appraised equipment. By accepting this appraisal, the addressee agrees that BK

Associates, Inc. shall bear no such responsibility or legal liability. This appraisal is prepared for the use of the addressee and shall not be provided to other parties without the express consent of the addressee.

Sincerely yours,

BK ASSOCIATES, INC.

/s/ R. L. Britton
R. L. Britton
Vice President
ISTAT Certified Appraiser

RLB/kf

[MBA LOGO]

[MORTEN BEYER & AGNEW LETTERHEAD]
October 6, 1997

Continental Airlines, Inc.
2929 Allen Parkway
Houston, TX 77019

Gentlemen:

Pursuant to your request, Morten Beyer & Associates (MBA) has set forth its opinion regarding the Base Values of twenty-four aircraft (as described in Schedule I herein) being delivered new from the manufacturer to Continental Airlines during 1998. More specifically, our mandate is to render our opinion on this date as to the value of the aircraft on their delivery dates.

There are several terms used to describe the "value" of an aircraft. MBA uses the definitions of various value terms as promulgated by the International Society of Transport Aircraft Trading (ISTAT), a not-for-profit organization of some 500 members who have an interest in the commercial aviation industry. The membership consists of management level personnel from banks, leasing companies, airlines, appraisers, brokers, manufacturers, etc. ISTAT has also established standards for appraisal practice and a code of ethics for those members certified by the Society as appraisers. To attain certification members must meet rigid educational and experience requirements and must successfully complete written examinations. Both Morten Beyer and Robert Minnich of MBA are ISTAT Certified Senior Appraisers.

ISTAT defines Current Market Value (CMV) as the most likely trading price that may be generated for an aircraft under the market conditions that are perceived to exist at the time in question. Market Value (MV) assumes that the aircraft is valued for its highest, best use, that the parties to the hypothetical sales transaction are willing, able,

Phone (703) 847-6898 ~ Fax (703) 734-1474 ~ Internet: MBA@MBA-consulting.com

prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transactions would be negotiated in an open and unrestricted market on an arm's length basis, for cash or equivalent consideration and given an adequate amount of time for effective exposure to prospective buyers. Fair Market Value is synonymous to MV and Current Fair Market Value is synonymous with CMV because the criteria typically used in those documents that use the term "fair" reflect the same criteria set forth in the above definition of Market Value.

Base Value (BV) contains the same elements as MV except the market conditions are always assumed to be in a reasonable state of equilibrium. Base values are related to long term trends, and may or may not reflect the actual value of the aircraft in question. Base values are founded in the historical values of aircraft and are usually used for analysis of historic values or for future value projections.

The values set forth herein are Base Values. Base Values are provided for each aircraft, identified by aircraft type and tail numbers taking into account the expected month of delivery to Continental.

The expected delivery period for the aircraft that are the subject of this report begins in April, 1998 and terminates in November, 1998. As of the date of this report, we foresee no events that may cause us to revise valuations. However, unforeseen circumstances can occur with little or no warning, and if changed circumstances justify it, MBA would revise its valuations accordingly.

All of the aircraft included in this appraisal are new aircraft with scheduled delivery dates starting in April, 1998. The types of aircraft that are the subject of this report are all considered to be effective competitors in the industry for years to come, and they all meet or are lower than Stage III noise level standards. The Boeing 737-500 was first built in 1989, and there are currently 334 in service with 35 operators and another 49 on order. It is the truncated version of the 737-300/400 series and offers a lower cost per aircraft mile. Because of its smaller capacity, its unit costs as measured by the cost per available seat mile are higher. Although we consider the aircraft to be a competitive one, it suffers from the fact that aircraft that are smaller versions of larger aircraft have historically not been as efficient as aircraft that are originally designed as smaller machines.

[MBA LOGO]

The Boeing 737-700 is Boeing's newest entry into the advanced technology market to compete with Airbus A319/320/321 series machines. The aircraft is scheduled to enter service in October, 1997 with the launch customer, Southwest Airlines. There are 252 unfilled orders. We expect that this aircraft will be very popular with the airlines and will have a long production run.

The Boeing 737-800 is the largest member of the new (third) generation of the 737 family, and the first aircraft is due to enter service with Hapag-Lloyd in April, 1998. Designed to replace the -400, it is 108 inches longer and has typical two-class seating of 160 and a high density seating if 189. There are 258 unfilled orders for the 737-800.

The Boeing 777-200 has been in service since May 15, 1995 with United Airlines which is by far its largest operator. There are 82 in service with 14 operators (as of July 31, 1997), with another 191 aircraft on order.

All four of the aircraft types covered in this appraisal have higher maximum take-off weights than MBA considers standard for the type. We have, therefore, increased our normal Base Values by $50 per pound of higher take-off weight. These increases were as follows:

AIRCRAFT TYPE	HIGHER MTOW (lbs.)	INCREASED VALUE
B-737-500	14,000	$ 700,000
B-737-700	20,000	1,000,000
B-737-800	17,000	850,000
B-777-200	35,000	1,750,000

This report has been prepared for the exclusive use of Continental and shall not be provided to other parties by MBA without the express consent of Continental.

MBA certifies that this report has been independently prepared and that if fully and accurately reflects MBA's opinion, as of the date of this report, of the values set forth herein. MBA further certifies that it does not have, and does not expect to have, any financial interest in the subject or similar aircraft.

[MBA LOGO]

This report represents MBA's opinion as to the subject aircraft, and is intended to be advisory only, in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken, or not taken, by Continental or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

Sincerely,

/s/ Morten S. Beyer
Morten S. Beyer
Chairman & CEO

[MBA LOGO]

BASE VALUE APPRAISAL OF LISTED AIRCRAFT
UPON DELIVERY DURING 1998 TO
CONTINENTAL AIRLINES. INC.
(US DOLLARS IN THOUSANDS)

AIRCRAFT TYPE	ENGINE	EXPECTED DELIVERY DATE	TAIL NO.	MTOW (LBS)	BASE VALUE
B-737-500	CFM56-3B1	April 1998	656	129,500	$26,590
B-737-500	CFM56-3B1	May 1998	657	129,500	26,590
B-737-500	CFM56-3B1	June 1998	658	129,500	26,697
B-737-500	CFM56-3B1	July 1998	659	129,500	26,697
B-737-500	CFM56-3B1	August 1998	660	129,500	26,750
B-737-700	CFM56-7B24	April 1998	705	153,000	38,053
B-737-700	CFM56-7B24	April 1998	706	153,000	38,053
B-737-700	CFM56-7B24	April 1998	707	153,000	38,053
B-737-700	CFM56-7B24	April 1998	708	153,000	38,053
B-737-700	CFM56-7B24	August 1998	709	153,000	38,207
B-737-700	CFM56-7B24	August 1998	710	153,000	38.207
B-737-800	CFM56-7B26	May 1998	201	172,500	44,120
B-737-800	CFM56-7B26	May 1998	202	172,500	44,120
B-737-800	CFM56-7B26	May 1998	203	172,500	44,120
B-737-800	CFM56-7B26	June 1998	204	172,500	44,210
B-737-800	CFM56-7B26	June 1998	205	172,500	44,210
B-737-800	CFM56-7B26	June 1998	206	172,500	44,210
B-737-800	CFM56-7B26	July 1998	207	172,500	44,300
B-737-800	CFM56-7B26	July 1998	208	172,500	44,300
B-737-800	CFM56-7B26	July 1998	209	172,500	44,300
B-737-800	CFM56-7B26	August 1998	210	172,500	44,390
B-777-200	GE90	September 1998	001	580,000	121,120
B-777-200	GE90	October 1998	002	580,000	121,365
B-777-200	GE90	November 1998	003	580,000	121,610

[MBA LOGO]

[AISI LOGO]

05 February 1998

Continental Airlines
2929 Allen Parkway
Houston, TX 77019

Subject: AISI Report No.: A8S012BVO
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2. VALUATION

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[AISI LOGO]

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Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ Fred F. Bearden

Fred F. Bearden
President
FB/JDM/jm

[AISI LOGO]

Table I - AISI File No. A8S012BVO - 05 February 1998

CONTINENTAL AIRLINES FLEET

NEW DELIVERY BASE VALUATION

Aircraft	Delivery	Tail Numbers	Serial Numbers	Engine	MTOW	New Base Value Then $
B737-524	Sep-98	N14664	28925	CFM56-3B1	133,500	34.48
B737-524	Sep-98	N13665	28926	CFM56-3B1	133,500	34.48
B737-524	Oct-98	N14667	28927	CFM56-3B1	133,500	34.56
B737-524	Oct-98	N14668	28928	CFM56-3B1	133,500	34.56
B737-724	Aug-98	N54711	28782	CFM56-7B24	153,000	41.11
B737-724	Aug-98	N15712	28783	CFM56-7B24	153,000	41.11
B737-724	Aug-98	N16713	28784	CFM56-7B24	153,000	41.11
B737-724	Sep-98	N33714	28785	CFM56-7B24	153,000	41.21
B737-724	Oct-98	N24715	28786	CFM56-7B24	153,000	41.31
B737-724	Nov-98	N13716	28787	CFM56-7B24	153,000	41.41
B737-824	Oct-98	N18220	28929	CFM56-7B26	172,500	45.80
B737-824	Nov-98	N12221	28930	CFM56-7B26	172,500	45.91
B737-824	Dec-98	N34222	28931	CFM56-7B26	172,500	46.02
B737-824	Dec-98	N18223	28932	CFM56-7B26	172,500	46.02
B737-824	Dec-98	N24224	28933	CFM56-7B26	172,500	46.02
B737-824	Dec-98	N12225	28934	CFM56-7B26	172,500	46.02
B737-824	Dec-98	N26226	28935	CFM56-7B26	172,500	46.02
B757-224ER	Feb-98	N48127	28968	RB211-535E4B	250,000	59.60
B757-224ER	Mar-98	N17128	27567	RB211-535E4B	250,000	59.75
B757-224ER	Mar-98	N29129	28969	RB211-535E4B	250,000	59.75
B757-224ER	Apr-98	N19130	28970	RB211-535E4B	250,000	59.89
B757-224ER	Jun-98	N33132	28972	RB211-535E4B	250,000	60.19
B777-224 IGW	Nov-98	N78004	27580	GE90	648,000	134.37
B777-224 IGW	Dec-98	N78005	27581	GE90	648,000	134.70

AIRCRAFT SPECIFICATIONS HAVE BEEN PROVIDED BY CONTINENTAL AIRLINES

AIRCRAFT INFORMATION SERVICES, INC. [AISI LOGO]

11 February 1998

Continental Airlines
2929 Allen Parkway
Houston, TX 77019

Subject: AISI Report No.: A8D034B57
AISI Sight Unseen New Aircraft Base Value Appraisal One
B757-224ER Aircraft.

Dear Gentlemen:

In response to your request, Aircraft Information Services, Inc. (AISI) is pleased to offer Continental Airlines our opinion of the sight unseen base market value of one new B757-224ER aircraft with 250,000 lb. maximum take-off weight (MTOW) and powered by RB211-535E4 engines scheduled to be delivered from the manufacturer to Continental Airlines during February 1998 ("the Aircraft").

1. METHODOLOGY AND DEFINITIONS

The method used by AISI in its valuation of the Aircraft was based both on a review of information and Aircraft specifications supplied by Continental Airlines and also on a review of present and past market conditions, various expert opinions (such as aircraft brokers and financiers) and information contained in AISI's databases that help determine aircraft availability and price data and thus arrive at the appraised base values for the new aircraft to be delivered to Continental Airlines.

The historical standard term of reference for commercial aircraft value has been 'half-life fair market value' of an 'average' aircraft. However, 'fair market value' could mean a fair value in the given market or a value in a hypothetical 'fair' or balanced market, and the two definitions are not equivalent. Recently, the term 'base value' has been created to describe the theoretical balanced market condition and to avoid the potentially misleading term 'fair market value' which has now become synonymous with the term 'current market value' or a 'fair' value in the actual current market. AISI value definitions are consistent with those of the International Society of Transport Aircraft Trading (ISTAT) of 01 January 1994; AISI is a member of that organization and employs an ISTAT Certified Senior Aircraft Appraiser.

AISI defines a 'base value' as that of a transaction between equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, and with supply and demand of the sale item roughly in balance.

[AISI LOGO]

Base values are typically given for aircraft in "new" condition, "average half-life" condition, or in a specifically described condition unique to a single aircraft time. An "average" aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. AISI assumes average condition unless otherwise specified in this report. "Half-life" condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval. It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a "current market value" or "fair market value" as that value which reflects the real market conditions, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term constraint to buy or sell.

AISI encourages the use of base value to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

2. Valuation

Following is AISI's opinion of the base market value for the subject aircraft as of February 1998 in current USDollars subject to the assumptions, definitions and disclaimers herein.

Aircraft	Delivery Date	Tail Number	Serial Number	Engine	MTOW lb,	New Base Value Then $
B757-224ER	Feb 1998	N17126	27566	RB211-535E4B	250,000	$59,600,000

[AISI LOGO]

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. Such conclusions and opinions are judgments that reflect conditions and values which are current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any parties action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ Fred E. Bearden
Fred E. Bearden
President
FB/JDM/jm

BK Associates, Inc. [LOGO]
1295 Northern Boulevard
Manhasset, New York 11030
(516) 365-6272 - Fax (516) 365-6287

January 29, 1998

CONTINENTAL AIRLINES
2929 Allen Parkway
Houston, TX 77019

Gentlemen:

In response to your request, BK Associates, Inc. is pleased to provide this opinion on the Base Value as of their respective delivery dates on each of four B737-524, six B737-724, seven B737-824, five B757,224 and two B777-224IGW aircraft (Aircraft), which will be delivered to Continental Airlines between February 1998 and December 1998. The Aircraft are further identified in the conclusions of this letter by maximum takeoff weight, engine model, serial number and registration.

Set forth below is a summary of the methodology, considerations and assumptions utilized in this appraisal.

CURRENT FAIR MARKET VALUE

According to the International Society of Transport Aircraft Trading's (ISTAT) definition of FMV, to which BK Associates subscribes, the quoted FMV is the Appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The FMV assumes that the aircraft is valued for its highest and best use, that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers, which BK Associates considers to be 12 to 18 months.

BASE VALUE

Base value is the Appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm's length, cash transaction between willing, able and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

VALUE METHODOLOGY

Fair market valuations are determined based upon one of three methods: comparable recent sales, replacement cost or rate of return to investor. In this appraisal, BK used the comparable sales method, which is the most common method, in determining the base values of the Aircraft. This method uses industry data to ascertain the prices realized in recent sales of comparable models. The fair market value of the base Aircraft is based on BK's familiarity with the aircraft type, its earnings potential in commercial service, its knowledge of its capabilities and the uses to which it will be put worldwide, its knowledge of the marketing of used aircraft, and the factors effecting the fair market value of such aircraft, and on its knowledge of the asking, offered and transaction prices for similar competitive, and alternative equipment, as well as transactions and negotiations involving basically identical aircraft. These realizations, however, which reflect the market supply and demand at the time of sale, are subject to minor adjustments for other conditions existing at the time of the appraisal. In this respect, we consider the market for B757, B777 and B737 aircraft to be in reasonable balance at this time, and thus, the FMV is equal to the base value. In addition, values were adjusted for engine type and maximum gross takeoff weights (MGTOW).

LIMITING CONDITIONS AND ASSUMPTIONS

BK has neither inspected the Aircraft nor their maintenance records but relied upon information supplied by you and from BK's own database. In determining the base value of an aircraft, the following assumptions apply to the aircraft:

1. Unless it is new, the aircraft has half-time remaining to its next major overhauls or scheduled shop visit on its airframe, engines, landing gear and auxiliary power unit.

2. The aircraft is in compliance under Federal Aviation Administration approved airline maintenance program, with all airworthiness directives, mandatory modifications and applicable service bulletins currently up to industry standard.

3. The interior of the aircraft is in a standard configuration for its specific type, with the buyer furnished equipment and options of the types and models generally accepted and utilized in the industry.

BK Associates, Inc. [LOGO]

4. The aircraft is in current flight operations.

5. The aircraft is sold for cash without seller financing.

6. The Aircraft is in average or better condition.

7. There is no accident damage.

CONCLUSIONS

Based on the above methodology, considerations and assumptions, and since they are all new and not yet in service, it is our opinion that the current base value of each aircraft as of its delivery date are as follows:

Type	Date of Del.	Engine	MTOW (lbs).	Reg. No.	Serial Number	Base Val. on Del. ($ Mils)
B737-524	09/98	CFM56-3B1	133,500	N14664	28925	28.50
B737-524	09/98	CFM56-3B1	133,500	N13665	28926	28.50
B737-524	10/98	CFM56-3B1	133,500	N14667	28927	23.60
B737-524	10/98	CFM56-3B1	133,500	N14668	28928	28.60
B737-724	08/98	CFM56-7B24	153,000	N54711	28782	37.80
B737-724	08/98	CFM56-7B24	153,000	N15712	28783	37.80
B737-724	08/98	CFM56-7B24	153,000	N16713	28784	37.80
B737-724	09/98	CFM56-7B24	153,000	N33714	28785	37.90
B737-724	10/98	CFM56-7B24	153,000	N24715	28786	38.00
B737-724	11/98	CFM56-7B24	153,000	N13716	28787	38.00
B737-824	10/98	CFM56-7B26	172,500	N18220	28929	43.50
B737-824	11/98	CFM56-7B26	172,500	N12221	28930	43.50
B737-824	12/98	CFM56-7B26	172,500	N34222	28931	43.50
B737-824	12/98	CFM56-7B26	172,500	N18223	28932	43.50
B737-824	12/98	CFM56-7B26	172,500	N24224	28933	43.50
B737-824	12/98	CFM56-7B26	172,500	N12225	28934	43.50
B737-824	12/98	CFM56-7B26	172,500	N26226	28935	43.50

BK Associates, Inc. [LOGO]

Continental Airlines, Inc.
January 29, 1998
Page 4

Type	Date of Del.	Engine	MTOW (lbs).	Reg. No.	Serial Number	Base Val. on Del. ($ Mils)
B757-224	02/98	RB211-535E4B	250,000	N48127	28968	54.35
B757-224	03/98	RB211-535E4B	250,000	N17128	27567	54.45
B757-224	03/98	RB211-535E4B	250,000	N29129	28969	54.45
B757-224	04/98	RB211-535E4B	250,000	N19130	28970	54.45
B757-224	06/98	RB211-535E4B	250,000	N33132	28972	54.65
B777-224IGW	11/98	GE90	648,000	N78004	27580	127.00
B777-224IGW	12/98	GE90	648,000	N78005	27581	127.00

BK Associates, Inc. has no present or contemplated future interest in the Aircraft, nor any interest that would preclude our making a fair and unbiased estimate. This appraisal represents the opinion of BK Associates, Inc. and reflects our best judgment based on the information available to us at the time of preparation and the time and budget constraints imposed by the client. It is not given as a recommendation, or as an inducement, for any financial transaction and further, BK Associates, Inc. assumes no responsibility or legal liability for any action taken or not taken by the addressee, or any other party, with regard to the appraised equipment. By accepting this appraisal, the addressee agrees that BK Associates, Inc. shall bear no such responsibility or legal liability. This appraisal is prepared for the use of the addressee and shall not be provided to other parties without the express consent of the addressee.

Sincerely yours,

BK ASSOCIATES, INC.

/s/ John F. Keitz
John F. Keitz
President
ISTAT Senior Certified Appraiser

JFK/kf

[BK ASSOCIATES, INC. LETTERHEAD]

1295 Northern Boulevard
Manhasset, New York 11030
(516) 365-6272 -- Fax (516) 365-6287

February 10, 1998

Continental Airlines, Inc.
2929 Allen Parkway
Houston, TX 77019

Dear Sirs:

This will respond to your request that BK Associates, Inc. supplement our letter to you, dated January 29, 1998 (the "Prior Letter"), in which we provided our opinion regarding the base value of the twenty-four (24) aircraft described therein, in order to provide you with our opinion regarding the base value of an additional aircraft. This letter should be read in conjunction with, and is subject to all of the considerations, qualifications and limitations contained in, the Prior Letter. The methodology utilized in preparing the Prior Letter was also used to prepare this letter.

Please be advised that, in our opinion, the base value of the Boeing 757-224 aircraft, equipped with two RB211-535E4B engines and with an MTOW (lbs.) of 250,000, expected Registration Number N17126 and manufacturer's Serial Number 27566, when newly delivered in February 1998, will be $54,350,000.

Sincerely,

BK ASSOCIATES, INC.

/s/ John F. Keitz
John F. Keitz
President
ISTAT Senior Certified Appraiser

JFK/kf

February 5, 1998

Continental Airlines, Inc.
2929 Allen Parkway
Houston, TX 77019

Gentlemen:

Pursuant to your request, Morten Beyer & Agnew (MBA) has set forth its opinion regarding the Base Values of twenty-four aircraft (as described in Schedule I herein) being delivered new from the manufacturer to Continental Airlines during 1998. More specifically, our mandate is to render our opinion on this date as to the value of the aircraft on their delivery dates.

There are several terms used to describe the "value" of an aircraft. MBA uses the definitions of various value terms as promulgated by the International Society of Transport Aircraft Trading (ISTAT), a not-for-profit organization of some 500 members who have an interest in the commercial aviation industry. The membership consists of management level personnel from banks, leasing companies, airlines, appraisers, brokers, manufacturers, etc. ISTAT has also established standards for appraisal practice and a code of ethics for those members certified by the Society as appraisers. To attain certification members must meet rigid educational and experience requirements and must successfully complete written examinations. Morten Beyer of MBA is an ISTAT Certified Senior Appraiser and provides oversight of all appraisals issued by MBA.

ISTAT defines Current Market Value (CMV) as the most likely trading price that may be generated for an aircraft under the market conditions that are perceived to exist at the time

[MBA LOGO]

in question. Market Value (MV) assumes that the aircraft is valued for its highest, best use, that the parties to the hypothetical sales transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transactions would be negotiated in an open and unrestricted market on an arm's length basis, for cash or equivalent consideration and given an adequate amount of time for effective exposure to prospective buyers. Fair Market Value is synonymous to MV and Current Fair Market Value is synonymous with CMV because the criteria typically used in those documents that use the term "fair" reflect the same criteria set forth in the above definition of Market Value.

Base Value (BV) contains the same elements as MV except the market conditions are always assumed to be in a reasonable state of equilibrium. Base values are related to long term trends, and may or may not reflect the actual current value of the aircraft in question. Base values are founded in the historical values of aircraft and are usually used for analysis of historic values or for future value projections.

The values set forth herein are Base Values. Base Values are provided for each aircraft, identified by aircraft type and tail numbers taking into account the expected month of delivery to Continental.

The expected delivery period for the aircraft that are the subject of this report begins in February, 1998, and terminates in December, 1998. As of the date of this report, we foresee no events that may cause us to revise valuations. However, unforeseen circumstances can occur with little or no warning, and if changed circumstances justify it, MBA would revise its valuations accordingly.

All of the aircraft included in this appraisal are new aircraft with scheduled delivery dates starting in February, 1998. The types of aircraft that are the subject of this report are all

considered to be effective competitors in the industry for years to come, and they all meet or exceed Stage III noise level standards.

The Boeing 737-500 was first built in 1989, and there are currently 334 in service with 35 operators and another 49 on order. It is the truncated version of the 737-300/400 series and offers a lower cost per aircraft mile. Because of its smaller capacity, its unit costs as measured by the cost per available seat mile are higher. Although we consider the aircraft to be a competitive one, it suffers from the fact that aircraft that are smaller versions of larger aircraft have historically not been as efficient as aircraft that are originally designed as smaller machines.

The Boeing 737-700 is Boeing's newest entry into the advanced technology market to compete with Airbus A319/320/321 series machines. The aircraft entered service in December, 1997, with the launch customer, Southwest Airlines. There were 318 unfilled orders as of December. We expect that this aircraft will be very popular with the airlines and will have a long production run.

The Boeing 737-800 is the largest member of the new (third) generation of the 737 family, and the first aircraft is due to enter service with Hapag-Lloyd in April, 1998. Designed to replace the -400, it is 108 inches longer and has typical two-class seating of 160 and a high density seating if 189. There are 299 unfilled orders for the 737-800 as of December, 1997.

The Boeing 757-200 first entered the industry in 1982. There are currently 782 aircraft delivered and 133 on order. These numbers include the 200, 200M, 200PF, and 300 versions.

The Boeing 777-200 has been in service since May 15, 1995 with United Airlines which is by far its largest operator. There are 104 in service with 14 operators (as of December 31, 1997), with another 260 aircraft on order.

[MBA LOGO]

Four of the five aircraft types covered in this appraisal have higher maximum take-off weights than MBA considers standard for the type. We have, therefore, increased our normal Base Values by $50 per pound of higher take-off weight. The adjustment is based on the difference between the appraised aircraft and the weight MBA ascribes to the aircraft as a standard weight. This is usually the base MTOW but can be higher as is the case with the 757-200 to which MBA ascribes a standard purchase MTOW of 240,000 pounds. These increases are as follows:

AIRCRAFT TYPE	HIGHER MTOW (lbs.)	INCREASED VALUE
B-737-500	18,500	$ 930,000
B-737-700	20,000	1,000,000
B-737-800	17,000	850,000
B-757-200	10,000	500,000

In the case of the 777-200 IGW, MBA values the aircraft at the maximum MTOW as standard and reduces the value based on the certificate purchase weight. In the case of this appraisal MBA was specifically requested to appraise the 777-200 aircraft at the highest MTOW, that being 648,000.

SUMMARY

MBA appraises the base fair market value of the twenty-four aircraft as set forth in the exhibit following as of the dates of their scheduled delivery to Continental Airlines at a total of $1,194,240,000, with the individual aircraft values set forth by their respective tail number.

[MBA LOGO]

This report has been prepared for the exclusive use of Continental Airlines and Credit Suisse and shall not be provided to other parties by MBA without the express consent of Continental and Credit Suisse.

MBA certifies that this report has been independently prepared and that it fully and accurately reflects MBA's opinion, as of the date of this report, of the values set forth herein. MBA further certifies that it does not have, and does not expect to have, any financial interest in the subject or similar aircraft.

This report represents MBA's opinion as to the subject aircraft, and is intended to be advisory only, in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken, or not taken, by Continental or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

Sincerely,

/s/ Morten S. Beyer
Morten S. Beyer
Chairman & CEO

[MBA LOGO]

BASE VALUE APPRAISAL OF LISTED AIRCRAFT
UPON DELIVERY DURING 1998 TO
CONTINENTAL AIRLINES, INC.
(US Dollars in Thousands)

Aircraft Type	Engine	Expected Delivery Date	Tail No.	MTOW (lb.)	Base Value
B-737-524	CFM56-3B1	September 1998	N14664	133,500	$ 27,670
B-737-524	CFM56-3B1	September 1998	N13665	133,500	27,670
B-737-524	CFM56-3B1	October 1998	N14667	133,500	27,730
B-737-524	CFM56-3B1	October 1998	N14668	133,500	27,730
B-737-724	CFM56-7B24	August 1998	N54711	153,000	37,530
B-737-724	CFM56-7B24	August 1998	N15712	153,000	37,530
B-737-724	CFM56-7B24	August 1998	N16713	153,000	37,530
B-737-724	CFM56-7B24	September 1998	N33714	153,000	37,600
B-737-724	CFM56-7B24	October 1998	N24715	153,000	37,680
B-737-724	CFM56-7B24	November 1998	N13716	153,000	37,750
B-737-824	CFM56-7B26	October 1998	N18220	172,500	44,660
B-737-824	CFM56-7B26	November 1998	N12221	172,500	44,750
B-737-824	CFM56-7B26	December 1998	N34222	172,500	44,840
B-737-824	CFM56-7B26	December 1998	N18223	172,500	44,840
B-737-824	CFM56-7B26	December 1998	N24224	172,500	44,840
B-737-824	CFM56-7B26	December 1998	N12225	172,500	44,840
B-737-824	CFM56-7B26	December 1998	N26226	172,500	44,840
B-757-224 ETOPS	RB211-535E4B	February 1998	N48127	250,000	55,870
B-757-224 ETOPS	RB211-535E4B	March 1998	N17128	250,000	55,980
B-757-224 ETOPS	RB211-535E4B	March 1998	N29129	250,000	55,980
B-757-224 ETOPS	RB211-535E4B	April 1998	N19130	250,000	56,100
B-757-224 ETOPS	RB211-535E4B	June 1998	N33132	250,000	56,330
B-777-224 IGW	GE90	November 1998	N78004	648,000	131,740
B-777-224 IGW	GE90	December 1998	N78005	648,000	132,110
				Total	$1,194,240

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MORTEN BEYER & AGNEW
8180 Greensboro Drive * Suite 1000 * McLean, VA 22102

February 11, 1998

Continental Airlines, Inc.
2929 Allen Parkway, Suite 1588
Houston, TX 77019

Dear Sirs:

This will respond to your request Morten Beyer & Agnew supplement our letter of appraisal to you, dated February 5, 1998 (the "Prior Letter"), in which we provided our opinion regarding the base value of the twenty-four aircraft described therein. This letter should be read in conjunction with, and is subject to all of the considerations, qualifications and limitations contained in, the Prior Letter. The methodology utilized in preparing the Prior Letter was also used to prepare this letter.

Be it known that, in our opinion, the base value of the Boeing 757-224 aircraft, equipped with two RB211-535E4B engines and with a MTOW (lbs.) of 250,000, with expected registration number N17126 and manufacturer's serial number 27566, when newly delivered in February 1998, will be $55,870,000.00.

Sincerely yours,

/s/ RF Agnew
RF Agnew
President

[AISI LOGO] AIRCRAFT INFORMATION SERVICES, INC.

Report Date: 27 August 1998
Revision A Date: 01 October 1998

Continental Airlines
2929 Allen Parkway
Houston, TX 77019

Subject: AISI Report No.: A8S048BVO Rev A
AISI Sight Unseen New Aircraft Base Value Appraisal, Four B757-200ETOP, Seven B737-700, One B737-800 and Two B777-200ER Aircraft.

Reference: (a) Telephone conversation Continental/AISI 01 October 1998
(b) Fax specification data from Continental Airlines 01 October 1998

Dear Gentlemen:

In response to your request, Aircraft Information Services, Inc. (AISI) is pleased to offer Continental Airlines our opinion of the sight unseen base market value of various new aircraft scheduled to be delivered from the manufacturer to Continental Airlines between December 1998 and April 1999 as listed and defined in Table I.

Revision A to this report sets the fleet size to fourteen aircraft and revises the B777-200ER aircraft values to reflect detailed specifications per reference (a) and (b). All other aircraft values remain unchanged.

1. METHODOLOGY AND DEFINITIONS

The method used by AISI in its valuation of the Aircraft was based both on a review of information and Aircraft specifications supplied by Continental Airlines and also on a review of present and past market conditions, various expert opinions (such as aircraft brokers and financiers) and information contained in AISI's databases that help determine aircraft availability and price data and thus arrive at the appraised base values for the new aircraft to be delivered to Continental Airlines.

The standard term of reference for commercial aircraft value is 'half-life base market value' of an 'average' aircraft. This is a theoretical situation that assumes a balanced market and a hypothetical average aircraft condition. AISI value definitions are consistent with those of the International Society of Transport Aircraft Trading (ISTAT) of 01 January 1994; AISI is a member of that organization and employs an ISTAT Certified and Senior Certified Aircraft Appraiser.

Headquarters, 26072 Merit Circle, Suite 123, Laguna Hills, CA 96253
TEL: 949-582-8888 FAX: 949-582-8887 E-MAIL: AISINews@aol.com

[AISI LOGO]

AISI defines a 'base value' as that of a transaction between equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, and with supply and demand of the sale item roughly in balance. Base values are typically given for aircraft in 'new' condition, 'average half-life' condition, or in a specifically described condition unique to a single aircraft at a specific time. An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. AISI assumes average condition unless otherwise specified in this report. 'Half-life' condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval. It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a 'current market value' or 'fair market value' as that value which reflects the real market conditions, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term time constraint to buy or sell.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

2. VALUATION

Following is AISI's opinion of the base market value for the subject aircraft on their respective scheduled delivery dates in current US Dollars. Valuations are presented in Table 1 subject to the assumptions, definitions and disclaimers herein.

[AISI LOGO]

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. Such conclusions and opinions are judgments that reflect conditions and values which are current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any parties action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ JOHN D. MCNICOL

John D. McNicol
Vice President
Appraisals & Forecasts

[AISI LOGO]

Continental Airlines - AISI File #A8S048BVO Rev A
Report Date 27 August 1998
Revised 01 Oct 1998

TABLE I

Scheduled Manufacturer's Delivery Date	Aircraft Serial/Tail Number	Current USDollars Delivery Base Value
B757-200Etop, RB211-535E4B ENGINES, 255,000LB MTOW		
Dec-98	29282 / 133	$60,920,000
Jan-99	29283 / 134	$61,040,000
Feb-99	29284 / 135	$61,170,000
Mar-99	29285 / 136	$61,290,000
B737-700, CFM56-7B24 ENGINES, 153,000LB MTOW		
Jan-99	28936 / 717	$40,030,000
Jan-99	28937 / 718	$40,030,000
Feb-99	28938 / 719	$40,120,000
Mar-99	28939 / 720	$40,200,000
Mar-99	28940 / 721	$40,200,000
Apr-99	28789 / 722	$40,280,000
Apr-99	28790 / 723	$40,280,000
B737-800, CFM56-7B26 ENGINES, 172,500LB MTOW		
Apr-99	28788 / 227	$49,580,000
B777-200ER GE90B ENGINES, 648,000LB MTOW		
Dec-98	29476 / 006	$137,060,000
Feb-99	29477 / 007	$137,690,000

[AvSOLUTIONS LOGO]

October 1, 1998

Mr. Gerry Laderman
Vice President, Corporate Finance
Continental Airlines, Inc.
1600 Smith Street HQ-SFN
Houston, Texas 77002

Dear Mr. Laderman:

AvSOLUTIONS is pleased to provide this opinion on the base value, as of October 1998, of seven Boeing 737-700, one Boeing 737-800, four Boeing 757-200 and two Boeing 777-200 IGW aircraft (the aircraft). The Boeing 737-700 and the Boeing 737-800 aircraft are powered by CFM International CFM56-7B series engines. the Boeing 757-200 aircraft are powered by Rolls-Royce RB211-535E4 engines, and the Boeing 777-200 IGW aircraft are powered by General Electric GE90-90B engines. The total of fourteen aircraft will be delivered new to Continental Airlines, Inc. from the fourth quarter of 1998 through the second quarter of 1999. A listing of the particular aircraft is provided as attachment 1 of this document.

Set forth below is a summary of the methodology, considerations and assumptions utilized in this appraisal.

BASE VALUE

Base value is the appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm's length, cash transaction between willing, able and knowledge parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

CURRENT FAIR MARKET VALUE

According to the International Society of Transport Aircraft Trading's (ISTAT) definition of Fair Market Value (FMV), to which AvSOLUTIONS subscribes, the quoted FMV is the appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The fair market value assumes that the aircraft is valued for its highest and best use, that the parties to the hypothetical sales transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis, for cash equivalent consideration, and given an adequate amount of time for effective market exposure to perspective buyers, which AvSOLUTIONS considers to be ten to twenty months.

7518-B Diplomat Drive, Manassas, Virginia 20109
Telephone 703-330-0461 Fax 703-330-0581

[AvSOLUTIONS LOGO]

APPRAISAL METHODOLOGY

The method employed by AvSOLUTIONS to appraise the current and future values of aircraft and the associated equipment addresses the factors that influence the market value of an aircraft, such as its age, condition, configuration, the population of similar aircraft, similar aircraft on the market, operating costs, cost to acquire a new aircraft, and the state of demand for transportation services.

To achieve this objective, cross-sectional data concerning the values of aircraft in each of several general categories is collected and analyzed. Cross-sectional data is then postulated and compared with reported market values at a specified point in time. Such data reflects the effect of deterioration in aircraft performance due to usage and exposure to the elements, as well as the effect of obsolescence due to the evolutionary development and implementation of new designs and materials.

The product of the analysis identifies the relationship between the value of each aircraft and its characteristics, such as age, model designation, service configuration and engine type. Once the relationship is identified, one can then postulate the effects of the difference between the economic circumstances at the time when the cross-sectional data were collected and the current situation. Therefore, if one can determine the current value of an aircraft in one category, it is possible to estimate the current values of all aircraft in that category.

The manufacturer and size of the aircraft usually determine the specific category to which it is assigned. Segregating the world airplane fleet in this manner accommodates the potential effects of different size and different design philosophies.

The variability of the data used by AvSOLUTIONS to determine the current and future market values implies that the actual value realized will fall within a range of values. Therefore, if a contemplated value falls within the specified confidence range, AvSOLUTIONS cannot reject the hypothesis that it is a reasonable representation of the current market situation.

LIMITING CONDITIONS AND ASSUMPTIONS

In order to conduct this valuation, AvSOLUTIONS is solely relying on information as supplied by Continental Airlines, Inc. or Morgan Stanley, and from data within AvSOLUTIONS' own database. In determining the base value of the subject aircraft, the following assumptions have been researched and determined:

[AvSOLUTIONS LOGO]

1. AvSOLUTIONS has not inspected these aircraft or their maintenance records: accordingly, AvSOLUTIONS cannot attest to their specific location or condition.

2. The aircraft will be delivered new to Continental Airlines, Inc. between the fourth quarter of 1998 and the second quarter of 1999.

3. The aircraft will be certified, maintained and operated under United States Federal Aviation Regulation (FAR) part 121.

4. All mandatory inspections and Airworthiness Directives have been complied with.

5. The aircraft have no damage history.

6. The aircraft are in good condition.

7. AvSOLUTIONS considers the economic useful life of these aircraft to be at least 32 years.

Based upon the above methodology, considerations and assumptions, it is AvSOLUTIONS' opinion that the base value of each aircraft is as listed in attachment 1.

[AvSOLUTIONS LOGO]

STATEMENT OF INDEPENDENCE

This appraisal report represents the opinion of AvSOLUTIONS, and is intended to be advisory in nature. Therefore, AvSOLUTIONS assumes no responsibility or legal liability for actions taken or not taken by the Client or any other party with regard to the subject aircraft. By accepting this report, the Client agrees that AvSOLUTIONS shall bear no responsibility or legal liability regarding this report. Further, this report is prepared for the exclusive use of the Client and shall not be provided to other parties without the Client's express consent.

Aviation Solutions Inc. (AvSOLUTIONS) hereby states that this valuation report has been independently prepared and fairly represents the subject aircraft and AvSOLUTIONS' opinion of their values. Aviation Solutions Inc. (AvSOLUTIONS) further states that it has no present or contemplated future interest or association with the subject aircraft.

Signed,

/s/ BRYANT LYNCH
Bryant Lynch
Manager, Commercial Appraisals

[AVSOLUTIONS LOGO]

ATTACHMENT 1
EETC COLLATERAL SUMMARY

AIRCRAFT NO.	AIRCRAFT	DELIVERY QTR/YR	ENGINES	MTOW (POUNDS)	BASE VALUE
1	Boeing 737-700	1/1999	CFM56-7B24	153,000	$38,550,000
2	Boeing 737-700	1/1999	CFM56-7B24	153,000	$38,550,000
3	Boeing 737-700	1/1999	CFM56-7B24	153,000	$38,550,000
4	Boeing 737-700	1/1999	CFM56-7B24	153,000	$38,550,000
5	Boeing 737-700	1/1999	CFM56-7B24	153,000	$38,550,000
6	Boeing 737-700	2/1999	CFM56-7B24	153,000	$38,883,000
7	Boeing 737-700	2/1999	CFM56-7B24	153,000	$38,883,000

AIRCRAFT NO.	AIRCRAFT	DELIVERY QTR/YR	ENGINES	MTOW (POUNDS)	BASE VALUE
8	Boeing 737-800	2/1999	CFM56-7B26	172,500	$46,950,000

AIRCRAFT NO.	AIRCRAFT	DELIVERY QTR/YR	ENGINES	MTOW (POUNDS)	BASE VALUE
9	Boeing 757-200	4/1998	RB211-535E4	255,000	$57,530,000
10	Boeing 757-200	1/1999	RB211-535E4	255,000	$57,850,000
11	Boeing 757-200	1/1999	RB211-535E4	255,000	$57,850,000
12	Boeing 757-200	1/1999	RB211-535E4	255,000	$57,850,000

AIRCRAFT NO.	AIRCRAFT	DELIVERY QTR/YR	ENGINES	MTOW (POUNDS)	BASE VALUE
13	Boeing 777-200 IGW	4/1998	GE90-90B	648,000	$131,780,000
14	Boeing 777-200 IGW	1/1999	GE90-90B	648,000	$132,350,000

MORTEN BEYER & AGNEW

AVIATION CONSULTING FIRM

Appraisal of 14 Aircraft

PREPARED FOR:

Continental Airlines, Inc.

OCTOBER 1, 1998

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I. INTRODUCTION AND EXECUTIVE SUMMARY

Morten Boyer and Agnew, Inc. (MBA), has been retained by Continental Air Lines, Inc (CAL) to determine the Current Base Value (CBV) of 14 Boeing aircraft delivered new over the next nine months. The aircraft are further identified in Section II of this report.

In performing this valuation we did not inspect the aircraft specifications or their maintenance documentation, and we relied solely on information provided to us by CAL. Based on the information set forth further in this report, it is our opinion that the CBV of the aircraft in this portfolio is $78,090,000 with their respective individual values noted in Section IV.

MBA uses the definition of certain terms, such as CMV and Base Value (BV), as promulgated by the International Society of Transport Aircraft Trading (ISTAT), a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, appraisers, brokers, and others who have a vested interest in the commercial aviation industry.

ISTAT defines Market Value as the appraiser's opinion of the most likely trading price that may be generated for an aircraft under market conditions that are perceived to exist at the time in question. MV assumes that the aircraft is valued for its highest, best use; that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable and under no unusual pressure for a prompt sale; and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

The ISTAT definition of Base Value (BV) has, essentially, the same elements of MV except that the market circumstances are assumed to be in a reasonable state of equilibrium. Thus, BV pertains to an idealized aircraft and market combination, but will not necessarily reflect the actual MV of the aircraft in question. BV is founded in the historical trend of values and is generally used to analyze historical values or to project future values. The Current Base Value is the BV at the time of this opinion, effective upon the defined delivery dates of the subject aircraft assets.

[MBA LOGO]

II. AIRCRAFT

AIRCRAFT	TAIL NUMBER	SERIAL NUMBER	DATE OF MFR.
737-700	717	28936	1-99
	718	28937	1-99
	719	28938	2-99
	720	28939	3-99
	721	28940	3-99
	722	28789	4-99
	723	28790	4-99
737-800	227	28788	4-99
757-200ER	133	29282	12-98
	134	29283	1-99
	135	29284	2-99
	136	29285	3-99
777-200IGW	006	29476	12-98
	007	29477	2-99

[MBA LOGO]

III. CURRENT MARKET CONDITIONS

[AIRCRAFT PHOTO] BOEING 737-700/800 SERIES

Boeing is replacing the current trio of 737s with upgraded versions beginning with the 737-700 last year. Southwest Airlines' order for 63 of the series officially launched the program in late 1993, and now new orders are running at an increasing rate. Boeing is ramping-up production to the early 1990s level. The -600 is a replacement for the first generation -100/-200 series, and the - -700 is a replacement to the -300 series. As well, the -800 is a replacement to the B737-400 series.

The fuselage of the new aircraft will mirror that of the original (which were out-growths of the original -100s and -200s). Upgraded avionics, a new wing design, and other improvements will combine to increase range, efficiency, and performance in general. The CFM56-7 will be the exclusive engine for the 3rd generation.

B737-700s are just entering service with Southwest, as supply and assembly problems slowed the production lines in 1997, and Boeing is playing 'catch-up' on an overly ambitious production schedule. Prospects for the 3rd generation 737 jets are considerably enhanced by the discontinuation of the MD-80/-90 series. The MD-95 has been adopted by Boeing as its 100-seat competitor under the aegis of B-717. On the other hand, Airbus is becoming more aggressive with its A319/320/321 high tech series and winning an increasing share of orders.

As the industry approaches the peak of the current cycle, the prospects for a downturn increase, together with deferrals and cancellations of orders for both manufacturers. Although Boeing has recently stated that the future market will consist of more narrow-bodied aircraft like the 737 and 757 series.

ECONOMICS - There is no in-service operating data for the B737-NG (Next Generation) aircraft. However, it may be reliably assumed that this data will prove that this model to be highly efficient.

[MBA LOGO]

[AIRCRAFT PHOTO] BOEING 757-200

The 757 was conceived in 1978 as the successor to the 727. First deliveries took place in late 1982 as 727 production was terminated. The aircraft was somewhat slow in penetrating the market, as it came on-line in the repression of the early 1980s, but enjoyed accelerating popularity in the late 1980s. The aircraft is offered in two engine configurations, Rolls Royce and Pratt & Whitney, including several variants. The aircraft's popularity has increased as airlines have grown to appreciate its fuel economy and operating efficiency. As of mid-1997, the Rolls version had the greater market share, with 428 deliveries and 53 on order, compared with 293 deliveries and 53 orders/options for the P&W version.

Both versions have achieved decent operator bases, with 43 airlines ordering the RR version and 19 the P&W. A cargo version is also in production, with 60 already produced and 15 more on order. United Parcel Service was the major purchaser, ordering 35 P&W powered models, and then 20 more Rolls-powered configurations along with 41 options.

The 757's capabilities have grown in the 15 years it has been produced, and it is currently available at much higher gross weights and in an ETOPS (Extended Twin Operations) version used by many carriers in long range operations. In late 1995 and 1996 a total of three 757s were lost in accidents, with crew reactions to emergency situations considered the probable cause. In the prior 15 years only one had been lost in a hijacking situation in China.

The very large backlog of undelivered ordered and optioned 757s speaks to the excellence of the aircraft. The economic superiority of the 757 over the smaller narrowbodies (737 and MD-80) suggests that the heaviest casualties may befall these latter aircraft, and that the airlines will tend to move up to the 757. The major competitor to the 757 is not the smaller American twins, but rather the Airbus A321 series which has piled up an impressive order backlog, and is increasingly penetrating the U.S. market, as seen by USAir's recent order for up to 400 A320 and derivatives at the expense of existing Boeing options. Current operating costs suggest the A320 is up to 25 percent more efficient than the 737s or MD-80s, and even equal to, or superior to, the 757.

The difficulty in placing Eastern's 25-plane fleet perhaps raises a note of caution with respect to any aircraft. Their disposal required some two years, involving lessors, banks, and Boeing. Realizations were reasonable in the early transactions, but tended to decline later. The fact that

[MBA LOGO]

the aircraft were encumbered by tax benefit transfer liabilities did not appear to be a factor. There have been no recent 'fire sales' of this nature.

In the final analysis, the 757 is assured of a firm share of the aircraft market for many years to come in both passenger and cargo configuration. It has excellent environmental characteristics and has not experienced technical difficulties.

ECONOMICS

The MBA Model shows the 757 to be one of the most efficient aircraft of any type, size, or age. Its combination of capacity, low fuel consumption and reasonable price all contribute to its outstanding economics. We expect that the 757 will prove to be one of the strongest players in the residual value market for the next two decades.

[AIRCRAFT PHOTO] BOEING 777-200

The 777 is currently the world's largest widebody twin. It is Boeing's answer to the Airbus Industrie A330 and, to a lesser extent, the Douglas MD-11, both of which are filling a gap between Boeing's 767 and 747 lines. The A330 and MD-11 have the distinct marketing advantage of being in service from two to seven years ahead of the 777, and already have large order books (A330) and customer lists. Boeing is playing catch-up in this market segment, but is doing it with typical Boeing combination of power and finesse. Only three years following its introduction, 72 have been delivered with 288 on order.

The initial 777 design was the -200A (now the -200), followed by the -200IGW (Increased Gross Weight) and featured all of the three major high bypass engines: the P&W 4074, the Rolls Royce Trent 871, and the General Electric 90-B3. Gross weight has already been increased to 545,000 pounds for the -200, and 642,000 pounds for the -200IGW/-300. A maximum seating capacity of 440 passengers is available in the -200/-200IGW model and 550 in the newly announced - -300 version. Fair Market Values for the -200 versions are $117.7 and $125.5 million, respectively, while the -300 is expected to premier at $146.0 million.

[MBA LOGO]

Production of the low gross version is expected to cease after the -300 is debuted, but it will coexist, even as the increased capacity 767-400ER moves into the lower end of the 777 capacity market.

To an increasing degree, Boeing is competing against itself as it offers an even more variegated selection of aircraft derivatives.

ECONOMICS

The 777 should have operating characteristics and seat mile costs very comparable to the A330 and considerably better than the MD-11, according to the MBA economic model. It will particularly appeal to the large segment of the market which traditionally buys Boeing. Helped by the normal maintenance-free ride, United reported 1996 777 DOCs at 3.06 cents per available seat mile (ASM), the cheapest in its fleet and 13.6 percent below the 747-400. Ownership costs as a percent of DOCs are: 747-400 - 29.2 percent, and 777-200 - 24.6 percent.

The 777 has the initial advantage of low maintenance costs, an all-new technological design, a two-person crew, low specific fuel consumption, and high capacity. Its operating margin and net margin after financial costs should be among the best of all aircraft types, even though the projected lease costs are 24.1 percent of total operating expense. The aircraft may require some modification of airport gate facilities to handle its great wing span (folding wings are available at extra cost, but no one has ordered them). The 777 will be well-suited to meeting airline expansion needs in markets where added frequencies are no longer possible due to slot and gate facility restrictions.

[MBA LOGO]

IV. VALUATION

AIRCRAFT	SERIAL NUMBER	DATE OF MFR.	CURRENT BASE VALUE ($000,000)	ADJUSTED BASE VALUE*
737-700	28936	1-99	36.90	38.10
	28937	1-99		
	28938	2-99	36.98	38.20
	28939	3-99	37.05	38.25
	28940	3-99		
	28789	4-99	37.13	38.30
	28790	4-99		
737-800	28788	4-99	44.36	45.30
757-200ER	29282	12-98	50.87	51.80
	29283	1-99	50.97	51.90
	29284	2-99	51.08	52.00
	29285	3-99	51.18	52.10
777-200IGW	29476	12-98	129.90	129.90
	29477	2-99	130.40	130.40
				TOTAL $ 78,090,000

* Adjustments include, when applicable, increased MTOW.

In developing the CBV of these aircraft, MBA did not inspect the aircraft or its historical maintenance documentation. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of an aircraft when more detailed information is not available. The principal assumptions are as follows (for each aircraft):

1. The aircraft is delivered new.

2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of new delivery otherwise specified.

3. The specifications of the aircraft are those most common for an aircraft of this type new delivery.

[MBA LOGO]

4. The aircraft is in a standard airline configuration.

5. Its modification status is comparable to that most common for an aircraft of its type and vintage.

6. No accounting was made for lease obligations or terms of ownership.

[MBA LOGO]

V. COVENANTS

This report has been prepared for the exclusive use of CAL and shall not be provided to other parties by MBA without the express consent of CAL.

MBA certifies that this report has been independently prepared and that it fully and accurately reflects MBA's opinion as to the Current Base Value. MBA further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft.

This report represents the opinion of MBA as to the Current Base Value of the subject aircraft and is intended to be advisory only in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken or not taken by CAL or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

PREPARED BY:

/s/ BRYSON P. MONTELEONE

BRYSON P. MONTELEONE
MANAGER OF OPERATIONS

REVIEWED BY:

/s/ MORTEN S. BEYER

MORTEN S. BEYER
CHAIRMAN AND CEO
ISTAT APPRAISER FELLOW

[MBA LOGO]

[AIRCRAFT INFORMATION SERVICES, INC. LETTERHEAD]

08 December 1998

Continental Airlines
2929 Allen Parkway
Houston, TX 77019

Subject: AISI Report No.: A9S004BVO
AISI Sight Unseen New Aircraft Base Value Appraisal, Thirteen B737-700, Fourteen B737-800 and Four B777-200ER Aircraft.

Reference: (a) Credit Suisse First Boston faxes 13 Nov 98, 01 Dec 98, and 14 Jan 99

Dear Gentlemen:

Aircraft Information Services, Inc. (AISI) is pleased to offer Continental Airlines our opinion of the sight unseen base market value of various new aircraft schedule to be delivered from the manufacturer to Continental Airlines between March 1999 and October 1999 as listed and defined in Table I.

1. METHODOLOGY AND DEFINITIONS

The method used by AISI in its valuation of the Aircraft was based both on a review of information and Aircraft specifications supplied by the client and also on a review of present and past market conditions, various expert opinions (such as aircraft brokers and financiers) and information contained in AISI's databases that help determine aircraft availability and price data and thus arrive at the appraised base values for the new aircraft to be delivered to Continental Airlines.

The standard terms of reference for commercial aircraft value are 'half-life base market value' and 'half-life current market value' of an 'average' aircraft. Base value is a theoretical value that assumes a balanced market while current market value is the value in the real market; both assume a hypothetical average aircraft condition. AISI value definitions are consistent with the current definitions of the International Society of Transport Aircraft Trading (ISTAT). AISI is a member of that organization and employs an ISTAT Certified and Senior Certified Aircraft Appraiser.

Headquarters, 26072 Merit Circle, Suite 123, Laguna Hills, CA 92653
TEL: 949-582-8888 FAX: 949-582-8887 E-MAIL: AISINews@aol.com

[AISI LOGO]

AISI defines a 'base value' as that of a transaction between equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, and with supply and demand of the sale item roughly in balance. Base values are typically given for aircraft in 'new' condition, 'average half-life' condition, or in a specifically described condition unique to a single aircraft at a specific time. An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. AISI assumes average condition unless otherwise specified in this report. 'Half-life' condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval. It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a 'current market value', which is synonymous with the older term 'fair market value' as that value which reflects the real market conditions, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term time constraint to buy or sell.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

2. VALUATION

Following is AISI's opinion of the base market value for the subject aircraft on their respective scheduled delivery dates in current US Dollars. Valuations are presented in Table I subject to the assumptions, definitions and disclaimers herein.

[AISI LOGO]

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. Such conclusions and opinions are judgments that reflect conditions and values which are current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any parties action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ John D. McNicol

John D. McNicol
Vice President
Appraisals & Forecasts

[AISI LOGO]

Continental Airlines - AISI File # A9S004BVO
Values as of 08 December 1998

TABLE I

Scheduled Manufacturer's Delivery Date	Aircraft Serial Number	Expected Registration Number	Continental Tail Number	New Delivery Base Value Current USDollars
	B737-700, CFM56-7B24 Engines, 153,000LB MTOW			
Jun-99	28791	N27724	724	$40,350,000
Jun-99	28941	N13750	750	$40,350,000
Jul-99	28796	N39726	726	$40,420,000
Jul-99	28797	N38727	727	$40,420,000
Jul-99	28944	N39728	728	$40,420,000
Jul-99	28945	N24729	729	$40,420,000
Aug-99	28798	N17730	730	$40,480,000
Aug-99	28799	N14731	731	$40,480,000
Aug-99	28948	N16732	732	$40,480,000
Sep-99	28949	N27733	733	$40,550,000
Sep-99	28950	N27734	734	$40,550,000
Sep-99	28800	N14735	735	$40,550,000
Oct-99	28951	N24736	736	$40,620,000
	B737-800, CFM56-7B26 Engines, 172,500LB MTOW			
May-99	28792	N14228	228	$49,540,000
Jun-99	28793	N17229	229	$49,620,000
Jun-99	28794	N14230	230	$49,620,000
Jun-99	28795	N14231	231	$49,620,000
Jun-99	28942	N26232	232	$49,620,000
Jul-99	28943	N17233	233	$49,700,000
Aug-99	28946	N16234	234	$49,790,000
Aug-99	28947	N14235	235	$49,790,000
Sep-99	28801	N35236	236	$49,870,000
Sep-99	28802	N14237	237	$49,870,000
Oct-99	28804	N12238	238	$49,950,000
Oct-99	28951	N27239	239	$49,950,000
Oct-99	28952	N14240	240	$49,950,000
Oct-99	28953	N54241	241	$49,950,000
	B777-200ER, GE90B Engines, 648,000LB MTOW			
Mar-99	29478	N78008	008	$134,270,000
Apr-99	29479	N78009	009	$134,490,000
May-99	29480	N76010	010	$134,710,000
Jul-99	29859	N79011	011	$135,160,000

[AvSOLUTIONS LOGO]

December 8, 1998

Continental Airlines, Inc.
1600 Smith Street HQ-SFN
Houston, Texas 77002

Dear Continental Airlines, Inc.:

AvSOLUTIONS is pleased to provide this opinion on the base value, as of December 1998, of thirteen Boeing 737-700, fourteen Boeing 737-800 and four Boeing 777-200 IGW aircraft (the aircraft). The Boeing 737-700 and the Boeing 737-800 aircraft are powered by CFM International CFM56-7B series engines and the Boeing 777-200 IGW aircraft are powered by General Electric GE90-90B engines. The total of thirty-one aircraft will be delivered new to Continental Airlines, Inc. from the first quarter of 1999 through the fourth quarter of 1999. A listing of the particular aircraft is provided as attachment 1 of this document.

Set forth below is a summary of the methodology, considerations and assumptions utilized in this appraisal.

BASE VALUE

Base value is the appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm's length, cash transaction between willing, able and knowledge parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

CURRENT FAIR MARKET VALUE

According to the International Society of Transport Aircraft Trading's (ISTAT) definition of Fair Market Value (FMV), to which AvSOLUTIONS subscribes, the quoted FMV is the appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The fair market value assumes that the aircraft is valued for its highest and best use, that the parties to the hypothetical sales transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis, for cash equivalent consideration, and given an adequate amount of time for effective market exposure to perspective buyers, which AvSOLUTIONS considers to be ten to twenty months.

10687 Gaskins Way, Suite 200, Manassas, Virginia 20109-2371, USA
Telephone: 703-330-0461 Fax: 703-330-0581
Email: avsol@avsolutions.com

APPRAISAL METHODOLOGY

The method employed by AvSOLUTIONS to appraise the current and future values of aircraft and the associated equipment addresses the factors that influence the market value of an aircraft, such as its age, condition, configuration, the population of similar aircraft, similar aircraft on the market, operating costs, cost to acquire a new aircraft, and the state of demand for transportation services.

To achieve this objective, cross-sectional data concerning the values of aircraft in each of several general categories is collected and analyzed. Cross-sectional data is then postulated and compared with reported market values at a specified point in time. Such data reflects the effect of deterioration in aircraft performance due to usage and exposure to the elements, as well as the effect of obsolescence due to the evolutionary development and implementation of new designs and materials.

The product of the analysis identifies the relationship between the value of each aircraft and its characteristics, such as age, model designation, service configuration and engine type. Once the relationship is identified, one can then postulate the effects of the difference between the economic circumstances at the time when the cross-sectional data were collected and the current situation. Therefore, if one can determine the current value of an aircraft in one category, it is possible to estimate the current values of all aircraft in that category.

The manufacturer and size of the aircraft usually determine the specific category to which it is assigned. Segregating the world airplane fleet in this manner accommodates the potential effects of different size and different design philosophies.

The variability of the data used by AvSOLUTIONS to determine the current and future market values implies that the actual value realized will fall within a range of values. Therefore, if a contemplated value falls within the specified confidence range, AvSOLUTIONS cannot reject the hypothesis that it is a reasonable representation of the current market situation.

LIMITING CONDITIONS AND ASSUMPTIONS

In order to conduct this valuation, AvSOLUTIONS is solely relying on information as supplied by Continental Airlines, Inc. or Credit Suisse First Boston Corporation, and from data within AvSOLUTIONS' own database. In determining the base value of the subject aircraft, the following assumptions have been researched and determined:

[AvSOLUTIONS LOGO]

1. AvSOLUTIONS has not inspected these aircraft or their maintenance records; accordingly, AvSOLUTIONS cannot attest to their specific location or condition.

2. The aircraft will be delivered new to Continental Airlines, Inc. between the first quarter of 1999 and the fourth quarter of 1999.

3. The aircraft will be certified, maintained and operated under United States Federal Aviation Regulation (FAR) part 121.

4. All mandatory inspections and Airworthiness Directives have been complied with.

5. The aircraft have no damage history.

6. The aircraft are in good condition.

7. AvSOLUTIONS considers the economic useful life of these aircraft to be at least 32 years.

Based upon the above methodology, considerations and assumptions, it is AvSOLUTIONS' opinion that the base value of each aircraft is as listed in attachment 1.

[AvSOLUTIONS LOGO]

STATEMENT OF INDEPENDENCE

This appraisal report represents the opinion of AvSOLUTIONS, and is intended to be advisory in nature. Therefore, AvSOLUTIONS assumes no responsibility or legal liability for actions taken or not taken by the Client or any other party with regard to the subject aircraft. By accepting this report, the Client agrees that AvSOLUTIONS shall bear no responsibility or legal liability regarding this report. Further, this report is prepared for the exclusive use of the Client and shall not be provided to other parties without the Client's express consent.

Aviation Solutions Inc. (AvSOLUTIONS) hereby states that this valuation report has been independently prepared and fairly represents the subject aircraft and AvSOLUTIONS' opinion of their values. Aviation Solutions Inc. (AvSOLUTIONS) further states that it has no present or contemplated future interest or association with the subject aircraft.

Signed,

/s/ Bryant Lynch

Bryant Lynch
Manager, Commercial Appraisals

[AvSOLUTIONS LOGO]

ATTACHMENT 1
EETC COLLATERAL SUMMARY

AIRCRAFT NO.	AIRCRAFT	DELIVERY QTR/YR	ENGINES	MTOW (POUNDS)	BASE VALUE
1	Boeing 737-700	2/1999	CFM56-7B24	153,000	$38,883,000
2	Boeing 737-700	2/1999	CFM56-7B24	153,000	$38,883,000
3	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
4	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
5	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
6	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
7	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
8	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
9	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
10	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
11	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
12	Boeing 737-700	3/1999	CFM56-7B24	153,000	$39,216,000
13	Boeing 737-700	4/1999	CFM56-7B24	153,000	$39,549,000

AIRCRAFT NO.	AIRCRAFT	DELIVERY QTR/YR	ENGINES	MTOW (POUNDS)	BASE VALUE
14	Boeing 737-800	2/1999	CFM56-7B26	172,500	$46,950,000
15	Boeing 737-800	2/1999	CFM56-7B26	172,500	$46,950,000
16	Boeing 737-800	2/1999	CFM56-7B26	172,500	$46,950,000
17	Boeing 737-800	2/1999	CFM56-7B26	172,500	$46,950,000
18	Boeing 737-800	2/1999	CFM56-7B26	172,500	$46,950,000
19	Boeing 737-800	3/1999	CFM56-7B26	172,500	$47,243,000
20	Boeing 737-800	3/1999	CFM56-7B26	172,500	$47,243,000
21	Boeing 737-800	3/1999	CFM56-7B26	172,500	$47,243,000
22	Boeing 737-800	3/1999	CFM56-7B26	172,500	$47,243,000
23	Boeing 737-800	3/1999	CFM56-7B26	172,500	$47,243,000
24	Boeing 737-800	4/1999	CFM56-7B26	172,500	$47,536,000
25	Boeing 737-800	4/1999	CFM56-7B26	172,500	$47,536,000
26	Boeing 737-800	4/1999	CFM56-7B26	172,500	$47,536,000
27	Boeing 737-800	4/1999	CFM56-7B26	172,500	$47,536,000

[AvSOLUTIONS LOGO]

ATTACHMENT 1
EETC COLLATERAL SUMMARY

page two

AIRCRAFT NO.	AIRCRAFT	DELIVERY QTR/YR	ENGINES	MTOW (POUNDS)	BASE VALUE
28	Boeing 777-200 IGW	1/1999	GE90-90B	648,000	$132,350,000
29	Boeing 777-200 IGW	2/1999	GE90-90B	648,000	$132,930,000
30	Boeing 777-200 IGW	2/1999	GE90-90B	648,000	$132,930,000
31	Boeing 777-200 IGW	3/1999	GE90-90B	648,000	$133,510,000

MORTEN BEYER & AGNEW

AVIATION CONSULTING FIRM

APPRAISAL OF 1999-1 PORTFOLIO
EETC

PREPARED FOR:

CONTINENTAL AIRLINES/C-S FIRST BOSTON

DECEMBER 8, 1998

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I. INTRODUCTION AND EXECUTIVE SUMMARY

Morten Beyer and Agnew, Inc. (MBA), has been retained by Credit Suisse -- First Boston/Continental Air Lines, Inc. (CAL) to determine the Current Base Value (CBV) of 31 Boeing aircraft delivered new over the next nine months. The aircraft are further identified in Section II of this report.

In performing this valuation we did not inspect the aircraft specifications or their maintenance documentation, and we relied solely on information provided to us by CAL.

MBA uses the definition of certain terms, such as CMV and Base Value (BV), as promulgated by the International Society of Transport Aircraft Trading (ISTAT), a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, appraisers, brokers, and others who have a vested interest in the commercial aviation industry.

ISTAT defines Market Value (MV) as the appraiser's opinion of the most likely trading price that may be generated for an aircraft under market conditions that are perceived to exist at the time in question. MV assumes that the aircraft is valued for its highest, best use; that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale; and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

The ISTAT definition of Base Value (BV) has, essentially, the same elements of MV except that the market circumstances are assumed to be in a reasonable state of equilibrium. Thus, BV pertains to an idealized aircraft and market combination, but will not necessarily reflect the actual MV of the aircraft in question. BV is founded in the historical trend of values and is generally used to analyze historical values or to project future values. The Current Base Value is the BV at the time of this opinion, effective upon the defined delivery dates of the subject aircraft assets.

[MBA LOGO]

II. AIRCRAFT (1999-1 PORTFOLIO)

AIRCRAFT	TAIL NUMBER	SERIAL NUMBER	DATE OF MFR.
737-724	N27724	28791	6-99
	N13750	28941	6-99
	N39726	28798	7-99
	N38727	28797	7-99
	N39728	28944	7-99
	N24729	28945	7-99
	N17730	28798	8-99
	N14731	28799	8-99
	N16732	28948	8-99
	N27733	28949	9-99
	N27734	28950	9-99
	N14735	28800	9-99
	N24736	28951	10-99
737-824	N14228	28792	5-99
	N17229	28793	6-99
	N14230	28794	6-99
	N14231	28795	6-99
	N28232	28942	6-99
	N17233	28943	7-99
	N16234	28946	8-99
	N14235	28947	8-99
	N35236	28801	9-99
	N14237	28802	9-99
	N12238	28804	10-99
	N27239	28951	10-99
	N14240	28952	10-99
	N54241	28953	10-99
777-224IGW	N78008	29478	3-99
	N78009	29479	4-99
	N78010	29480	5-99
	N79011	29859	7-99

[MBA LOGO]

III. CURRENT MARKET CONDITIONS

[Airplane graphic] BOEING 737-700/800 SERIES

Boeing is replacing the current trio of 737s with upgraded versions beginning with the 737-700 last year. Southwest Airlines' order for 63 of the series officially launched the program in late 1993, and now new orders are running at an increasing rate. Boeing is ramping-up production to the early 1990s level. The -600 is a replacement for the first generation -100/-200 series, and the - -700 is a replacement to the -300 series. As well, the -800 is a replacement to the B737-400 series.

The fuselage of the new aircraft will mirror that of the original (which were out-growths of the original -100s and -200s). Upgraded avionics, a new wing design, and other improvements will combine to increase range, efficiency, and performance in general. The CFM56-7 will be the exclusive engine for the 3rd generation.

B737-700s are just entering service with Southwest, as supply and assembly problems slowed the production lines in 1997, and Boeing is playing 'catch-up' on an overly ambitious production schedule. Prospects for the 3rd generation 737 jets are considerably enhanced by the discontinuation of the MD-80 / -90 series. The MD-95 has been adopted by Boeing as its 100-seat competitor under the aegis of B-717. On the other hand, Airbus is becoming more aggressive with its A319/320/321 high tech series and winning an increasing share of orders.

As the industry approaches the peak of the current cycle, the prospects for a downturn increase, together with deferrals and cancellations of orders for both manufacturers. Boeing has recently stated that the future market will consist of more narrow-bodied aircraft like the 737 and 757 series.

ECONOMICS

There is no in-service operating data for the B737-NG (Next Generation) aircraft. However, it may be reliably assumed that this data will prove that this model to be highly efficient.

[MBA LOGO]

These Next Generation B-737s are just entering service. More than 40 700s are already flying, most with Southwest, the launch customer. The 600's are expected to enter service early next year, and the 800's already have more than a dozen flying. Boeing is struggling to ramp-up production to 21 a month just as orders are peaking out. Despite the Asian flu, orders are thriving this year, with 240 through July, five more than Boeing booked over 12 months in 1997. Airbus has achieved 247 for its rival A-319/320/321 series so far this year.

MBA continues to hold the Current Market Prices of the next generation B-737s at 100 percent of Base Value. We have not evaluated the -900 in this update, but will do so in the January 1999 volume.

[Airplane Graphic] BOEING 777-200

The 777 is currently the world's largest widebody twin. It is Boeing's answer to the Airbus Industrie A330 and, to a lesser extent, the Douglas MD-11, both of which are filling a gap between Boeing's 767 and 747 lines. The A330 and MD-11 have the distinct marketing advantage of being in service from two to seven years ahead of the 777, and already have large order books (A330) and customer lists. Boeing is playing catch-up in this market segment, but is doing it with typical Boeing combination of power and finesse. Only three years following its introduction, 72 have been delivered with 288 on order.

The initial 777 design was the -200A (now the -200), followed by the -200IGW (Increased Gross Weight) and featured all of the three major high bypass engines; the P&W 4074, the Rolls Royce Trent 871, and the General Electric 90-B3. Gross weight has already been increased to 545,000 pounds for the -200, and 648,000 pounds for the -200IGW/-300. A maximum seating capacity of 440 passengers is available in the -200/-200IGW model and 550 in the newly announced - -300 version. Fair Market Values for the -200 versions are $117.7 and $125.5 million, respectively, while the -300 is expected to premier at $146.0 million.

Production of the low gross version is expected to cease after the -300 is debuted, but it will coexist, even as the increased capacity 767-400ER moves into the lower end of the 777 capacity market.

[MBA LOGO]

To an increasing degree, Boeing is competing against itself as it offers an even more variegated selection of aircraft derivatives.

ECONOMICS

The 777 should have operating characteristics and seat mile costs very comparable to the A330 and considerably better than the MD-11, according to the MBA economic model. It will particularly appeal to the large segment of the market which traditionally buys Boeing. Helped by the normal maintenance-free ride, United reported 1996 777 DOCs at 3.06 cents per available seat mile (ASM), the cheapest in its fleet and 13.6 percent below the 747-400. Ownership costs as a percent of DOCs are: 747-400 - 29.2 percent, and 777-200 - 24.6 percent.

The 777 has the initial advantage of low maintenance costs, an all-new technological design, a two-person crew, low specific fuel consumption, and high capacity. Its operating margin and net margin after financial costs should be among the best of all aircraft types, even though the projected lease costs are 24.1 percent of total operating expense. The aircraft may require some modification of airport gate facilities to handle its great wing span (folding wings are available at extra cost, but no one has ordered them). The 777 will be well suited to meeting airline expansion needs in markets where added frequencies are no longer possible due to slot and gate facility restrictions.

MID-YEAR UPDATE

Boeing's B-777 was its first all-new product in 20 years. Not since the B-757 and B-767 in 1982 has Boeing offered an all-new design. However, the B-777 does not go technically as far as the Airbus. Boeing incorporated glass cockpits, but eschewed fly-by-wire and side-stick controls. The B-777 got off to a strong start with 141 deliveries and 253 outstanding orders as of June 30, 1998. However, 109 of these advance orders were by Asia-Pacific carriers, and a significant attrition is expected in the next few years. Boeing is offering the B-777 in a low gross, high gross, and stretched version, each with all three 'big' engines. This Balkanization of the product line has no doubt diluted Boeings profits and complicated its production process. The B-777 was in direct competition not only with the Airbus A330/340, but also with the MD-11 product line, no doubt hastening its demise. MBA currently values the B-777's Current Market Prices at 100 percent of Base Value.

[MBA LOGO]

IV. VALUATION

Aircraft	Serial Number	Date of Mfr.	Current Base Value ($000,000)	Adjusted Base Value*
737-724	28791	6-99	37.28	38.48
	28941	6-99	37.28	38.48
	28796	7-99	37.36	38.56
	28797	7-99	37.36	38.56
	28944	7-99	37.36	38.56
	28945	7-99	37.36	38.56
	28798	8-99	37.44	38.64
	28799	8-99	37.44	38.64
	28948	8-99	37.44	38.64
	28949	9-99	37.51	38.71
	28950	9-99	37.51	38.71
	28800	9-99	37.51	38.71
	28951	10-99	37.59	38.79
737-824	28792	5-99	44.45	45.47
	28793	6-99	44.54	45.56
	28794	6-99	44.54	45.56
	28795	6-99	44.54	45.56
	28942	6-99	44.54	45.56
	28943	7-99	44.63	45.65
	28946	8-99	44.72	45.74
	28947	8-99	44.72	45.74
	28801	9-99	44.81	45.83
	28802	9-99	44.81	45.83
	28804	10-99	44.91	45.93
	28951	10-99	44.91	45.93
	28952	10-99	44.91	45.93
	28953	10-99	44.91	45.93
777-224IGW	29478	3-99	134.93	135.53
	29479	4-99	135.21	135.81
	29480	5-99	135.48	136.08
	29859	7-99	136.04	136.64

* Adjustments include, when applicable, increased MTOW.

[MBA LOGO]

In developing the CBV of these aircraft, MBA did not inspect the aircraft or its historical maintenance documentation. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of an aircraft when more detailed information is not available. The principal assumptions are as follows (for each aircraft):

1. The aircraft is delivered new.

2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of new delivery otherwise specified.

3. The specifications of the aircraft are those most common for an aircraft of this type new delivery.

4. The aircraft is in a standard airline configuration.

5. Its modification status is comparable to that most common for an aircraft of its type and vintage.

6. No accounting was made for lease obligations or terms of ownership.

[MBA LOGO]

V. COVENANTS

This report has been prepared for the exclusive use of Credit Suisse - First Boston/CAL and shall not be provided to other parties by MBA without the express consent of Credit Suisse - First Boston/CAL.

MBA certifies that this report has been independently prepared and that it fully and accurately reflects MBA's opinion as to the Current Base Value. MBA further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft.

This report represents the opinion of MBA as to the Current Base Value of the subject aircraft and is intended to be advisory only in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken or not taken by Credit Suisse - First Boston/CAL or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

PREPARED BY:

/s/ Bryson P. Monteleone

BRYSON P. MONTELEONE
MANAGER OF OPERATIONS

REVIEWED BY:

/s/ Morten S. Beyer

MORTEN S. BEYER
CHAIRMAN AND CEO
ISTAT APPRAISER FELLOW

[MBA LOGO]

[AIRCRAFT INFORMATION SERVICES, INC. LETTERHEAD]

19 May 1999

Continental Airlines
2929 Allen Parkway
Houston, TX 77019

Subject: AISI Report No.: A9S011BVO
AISI Sight Unseen New Aircraft Base Value Appraisal, Four B737-700, Fifteen B737-800, Two B757-200Etop and Three B777-200ER Aircraft.
Reference: (a) Credit Suisse First Boston faxes 27/29 April and 6/19 May 1999

Dear Gentlemen:

Aircraft Information Services, Inc. (AISI) is pleased to offer Continental Airlines our opinion of the sight unseen base market value of various new aircraft scheduled to be delivered from the manufacturer to Continental Airlines between July 1999 and December 1999 as listed and defined in Table I.

1. METHODOLOGY AND DEFINITIONS

The method used by AISI in its valuation of the Aircraft was based both on a review of information and Aircraft specifications supplied by the client and also on a review of present and past market conditions, various expert opinions (such as aircraft brokers and financiers) and information contained in AISI's databases that help determine aircraft availability and price data and thus arrive at the appraised base values for the new aircraft to be delivered to Continental Airlines.

The standard terms of reference for commercial aircraft value are 'half-life base market value' and 'half-life current market value' of an 'average' aircraft. Base value is a theoretical value that assumes a balanced market while current market value is the value in the real market; both assume a hypothetical average aircraft condition. AISI value definitions are consistent with the current definitions of the International Society of Transport Aircraft Trading (ISTAT). AISI is a member of that organization and employs an ISTAT Certified and Senior Certified Aircraft Appraiser.

[AISI LOGO]

AISI defines a 'base value' as that of a transaction between equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, and with supply and demand of the sale item roughly in balance. Base values are typically given for aircraft in 'new' condition, 'average half-life' condition, or in a specifically described condition unique to a single aircraft at a specific time. An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. AISI assumes average condition unless otherwise specified in this report. 'Half-life' condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval. It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a 'current market value', which is synonymous with the older term "fair market value" as that value which reflects the real market conditions, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term time constraint to buy or sell.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

2. VALUATION

Following is AISI's opinion of the base market value for the subject aircraft on their respective scheduled delivery dates in current US dollars. Valuations are presented in Table I subject to the assumptions, definitions and disclaimers herein.

[AISI LOGO]

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. Such conclusions and opinions are judgments that reflect conditions and values which are current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any parties action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ JOHN D. MCNICOL

John D. McNicol
Vice President
Appraisals & Forecasts

[AISI LOGO]

Continental Airlines - AISI File # A9S011BVO
19-May-99

TABLE I

Scheduled Manufacturer's Delivery Date	Aircraft Serial Number	Expected Registration Number	New Delivery Base Value Current USDollars
B737-700, CFM56-7B24 ENGINES, 153,000LB MTOW			
Jul-99	28945	N24729	$40,200,000
Aug-99	28948	N16732	$40,260,000
Sep-99	28800	N14735	$40,330,000
Sep-99	28803	N24736	$40,330,000
B737-800, CFM56-7B26 ENGINES, 172,500LB MTOW			
Sep-99	28801	N35236	$49,330,000
Oct-99	28804	N12238	$49,410,000
Oct-99	28951	N27239	$49,410,000
Oct-99	28953	N14240	$49,410,000
Oct-99	28952	N54241	$49,410,000
Oct-99	28805	N14242	$49,410,000
Oct-99	28806	N18243	$49,410,000
Nov-99	28954	N17244	$49,490,000
Nov-99	28955	N17245	$49,490,000
Nov-99	28956	N27246	$49,490,000
Dec-99	28807	N36247	$49,570,000
Dec-99	28808	N13248	$49,570,000
Dec-99	28809	N14249	$49,570,000
Dec-99	28957	N14250	$49,570,000
Dec-99	28958	N25201	$49,570,000
B757-200ETOP, RB211-535E4 ENGINES, 255,000LB MTOW			
Nov-99	30229	N34137	$61,510,000
Dec-99	30351	N13138	$61,610,000
B777-200ER, GE90B ENGINES, 648,000LB MTOW			
Aug-99	29860	N77012	$135,160,000
Sep-99	29861	N78013	$135,380,000
Oct-99	29862	N77014	$135,600,000

[AvSOLUTIONS LOGO]

May 19, 1999

Continental Airlines, Inc.
1600 Smith Street
Houston, Texas 77002

Dear Continental Airlines, Inc.:

AvSOLUTIONS is pleased to provide this opinion on the base value, as of May 1999, of four Boeing 737-700, fifteen Boeing 737-800, two Boeing 757-200 and three Boeing 777-200 IGW aircraft (the aircraft). The Boeing 737-700 and the Boeing 737-800 aircraft are powered by CFM International CFM56-7B series engines. The Boeing 757-200 aircraft are powered by Rolls-Royce RB211-535E4B engines. The Boeing 777-200 IGW aircraft are powered by General Electric GE90-90B engines. The total of twenty-four aircraft will be delivered new to Continental Airlines, Inc. from the third quarter of 1999 through the fourth quarter of 1999. A listing of the particular aircraft is provided as attachment 1 of this document.

Set forth below is a summary of the methodology, considerations and assumptions utilized in this appraisal.

BASE VALUE

Base value is the appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm's length, cash transaction between willing, able and knowledge parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

CURRENT FAIR MARKET VALUE

According to the International Society of Transport Aircraft Trading's (ISTAT) definition of Fair Market Value (FMV), to which AvSOLUTIONS subscribes, the quoted FMV is the appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The fair market value assumes that the aircraft is valued for its highest and best use, that the parties to the hypothetical sales transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis, for cash equivalent consideration, and given an adequate amount of time for effective market exposure to perspective buyers, which AvSOLUTIONS considers to be ten to twenty months.

10687 Gaskins Way, Suite 200, Manassas, Virginia 20109-2371, USA
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[AvSolutions LOGO]

APPRAISAL METHODOLOGY

The method employed by AvSOLUTIONS to appraise the current and future values of aircraft and the associated equipment addresses the factors that influence the market value of an aircraft, such as its age, condition, configuration, the population of similar aircraft, similar aircraft on the market, operating costs, cost to acquire a new aircraft, and the state of demand for transportation services.

To achieve this objective, cross-sectional data concerning the values of aircraft in each of several general categories is collected and analyzed. Cross-sectional data is then postulated and compared with reported market values at a specified point in time. Such data reflects the effect of deterioration in aircraft performance due to usage and exposure to the elements, as well as the effect of obsolescence due to the evolutionary development and implementation of new designs and materials.

The product of the analysis identifies the relationship between the value of each aircraft and its characteristics, such as age, model designation, service configuration and engine type. Once the relationship is identified, one can then postulate the effects of the difference between the economic circumstances at the time when the cross-sectional data were collected and the current situation. Therefore, if one can determine the current value of an aircraft in one category, it is possible to estimate the current values of all aircraft in that category.

The manufacturer and size of the aircraft usually determine the specific category to which it is assigned. Segregating the world airplane fleet in this manner accommodates the potential effects of different size and different design philosophies.

The variability of the data used by AvSOLUTIONS to determine the current and future market values implies that the actual value realized will fall within a range of values. Therefore, if a contemplated value falls within the specified confidence range. AvSOLUTIONS cannot reject the hypothesis that it is a reasonable representation of the current market situation.

LIMITING CONDITIONS AND ASSUMPTIONS

In order to conduct this valuation, AvSOLUTIONS is solely relying on information as supplied by Continental Airlines, Inc. or Credit Suisse First Boston Corporation, and from data within AvSOLUTIONS' own database. In determining the base value of the subject aircraft, the following assumptions have been researched and determined:

[AvSolutions LOGO]

1. AvSOLUTIONS has not inspected these aircraft or their maintenance records; accordingly, AvSOLUTIONS cannot attest to their specific location or condition.

2. The aircraft will be delivered new to Continental Airlines, Inc. between the third quarter of 1999 and the fourth quarter of 1999.

3. The aircraft will be certified, maintained and operated under United States Federal Aviation Regulation (FAR) part 121.

4. All mandatory inspections and Airworthiness Directives have been complied with.

5. The aircraft have no damage history.

6. The aircraft are in good condition.

7. AvSOLUTIONS considers the economic useful life of these aircraft to be at least 32 years.

Based upon the above methodology, considerations and assumptions, it is AvSOLUTIONS' opinion that the base value of each aircraft is as listed in attachment 1.

[AvSolutions LOGO]

STATEMENT OF INDEPENDENCE

This appraisal report represents the opinion of AvSOLUTIONS, and is intended to be advisory in nature. Therefore, AvSOLUTIONS assumes no responsibility or legal liability for actions taken or not taken by the Client or any other party with regard to the subject aircraft. By accepting this report, the Client agrees that AvSOLUTIONS shall bear no responsibility or legal liability regarding this report. Further, this report is prepared for the exclusive use of the Client and shall not be provided to other parties without the Client's express consent.

Aviation Solutions Inc. (AvSOLUTIONS) hereby states that this valuation report has been independently prepared and fairly represents the subject aircraft and AvSOLUTIONS' opinion of their values. Aviation Solutions Inc. (AvSOLUTIONS) further states that it has no present or contemplated future interest or association with the subject aircraft.

Signed,

/s/ Bryant Lynch

Bryant Lynch
Manager, Commercial Appraisals

[AvSolutions LOGO]

ATTACHMENT 1
EETC COLLATERAL SUMMARY
page 1

AIRCRAFT NO.	AIRCRAFT	SERIAL NUMBER	DELIVERY MO-YR	ENGINES	MTOW (POUNDS)	BASE VALUE
1	Boeing 737-700	28945	Jul-99	CFM56-7B24	153,000	$39,110,000
2	Boeing 737-700	28948	Aug-99	CFM56-7B24	153,000	$39,110,000
3	Boeing 737-700	28800	Sep-99	CFM56-7B24	153,000	$39,110,000
4	Boeing 737-700	28803	Sep-99	CFM56-7B24	153,000	$39,110,000

AIRCRAFT NO.	AIRCRAFT	SERIAL NUMBER	DELIVERY MO-YR	ENGINES	MTOW (POUNDS)	BASE VALUE
5	Boeing 737-800	28801	Sep-99	CFM56-7B26	172,500	$47,243,000
6	Boeing 737-800	28804	Oct-99	CFM56-7B26	172,500	$47,536,000
7	Boeing 737-800	28951	Oct-99	CFM56-7B26	172,500	$47,536,000
8	Boeing 737-800	28953	Oct-99	CFM56-7B26	172,500	$47,536,000
9	Boeing 737-800	28952	Oct-99	CFM56-7B26	172,500	$47,536,000
10	Boeing 737-800	28805	Oct-99	CFM56-7B26	172,500	$47,536,000
11	Boeing 737-800	28806	Oct-99	CFM56-7B26	172,500	$47,536,000
12	Boeing 737-800	28954	Nov-99	CFM56-7B26	172,500	$47,536,000
13	Boeing 737-800	28955	Nov-99	CFM56-7B26	172,500	$47,536,000
14	Boeing 737-800	28956	Nov-99	CFM56-7B26	172,500	$47,536,000
15	Boeing 737-800	28807	Dec-99	CFM56-7B26	172,500	$47,536,000
16	Boeing 737-800	28808	Dec-99	CFM56-7B26	172,500	$47,536,000
17	Boeing 737-800	28809	Dec-99	CFM56-7B26	172,500	$47,536,000
18	Boeing 737-800	28957	Dec-99	CFM56-7B26	172,500	$47,536,000
19	Boeing 737-800	28958	Dec-99	CFM56-7B26	172,500	$47,536,000

[AvSolutions LOGO]

ATTACHMENT 1
EETC COLLATERAL SUMMARY

page 2

AIRCRAFT NO.	AIRCRAFT	SERIAL NUMBER	DELIVERY MO-YR	ENGINES	MTOW (POUNDS)	BASE VALUE
20	Boeing 757-200	30229	Nov-99	RB211-535E4B	255,000	$58,840,000
21	Boeing 757-200	30351	Dec-99	RB211-535E4B	255,000	$58,840,000

AIRCRAFT NO.	AIRCRAFT	SERIAL NUMBER	DELIVERY MO-YR	ENGINES	MTOW (POUNDS)	BASE VALUE
22	Boeing 777-200 IGW	29860	Aug-99	GE90-90B	648,000	$133,510,000
23	Boeing 777-200 IGW	29861	Sep-99	GE90-90B	648,000	$133,510,000
24	Boeing 777-200 IGW	29862	Oct-99	GE90-90B	648,000	$134,090,000

MORTEN BEYER & AGNEW

- ---

AVIATION CONSULTING FIRM

Appraisal of 24 Boeing Aircraft
(1999-2 EETC)

PREPARED FOR:

Continental Airlines

MAY 19, 1999

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I. INTRODUCTION AND EXECUTIVE SUMMARY

Morten Beyer and Agnew, Inc. (MBA), has been retained by Continental Airlines, Inc. (CAL) to determine the Current Base Value (CBV) of 24 Boeing aircraft to be delivered new over the next eight months. The aircraft are further identified in Section II of this report.

MBA uses the definition of certain terms, such as CMV and Base Value (BV), as promulgated by the International Society of Transport Aircraft Trading (ISTAT), a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, appraisers, brokers, and others who have a vested interest in the commercial aviation industry.

ISTAT defines Market Value (MV) as the appraiser's opinion of the most likely trading price that may be generated for an aircraft under market conditions that are perceived to exist at the time in question. MV assumes that the aircraft is valued for its highest, best use; that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable and under no unusual pressure for a prompt sale; and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

The ISTAT definition of Base Value (BV) has, essentially, the same elements of MV except that the market circumstances are assumed to be in a reasonable state of equilibrium. Thus, BV pertains to an idealized aircraft and market combination, but will not necessarily reflect the actual MV of the aircraft in question. BV is founded in the historical trend of values and is generally used to analyze historical values or to project future values. The Current Base Value is the BV at the time of this opinion, effective upon the defined delivery dates of the subject aircraft assets.

II. CURRENT MARKET CONDITIONS

[GRAPHIC OF AIRPLANE] BOEING 737-700/800 SERIES

Boeing is replacing the current trio of 737s with upgraded versions beginning with the 737-700 last year. Southwest Airlines' order for 63 of the series officially launched the program in late 1993, and now new orders are running at an increasing rate. Boeing is ramping-up production to the early 1990s level. The -600 is a replacement for the first generation -100/-200 series, and the - -700 is a replacement to the -300 series. As well, the -800 is a replacement to the B737-400 series.

The fuselage of the new aircraft will mirror that of the original (which were out-growths of the original -100s and -200s). Upgraded avionics, a new wing design, and other improvements will combine to increase range, efficiency, and performance in general. The CFM56-7 will be the exclusive engine for the 3rd generation.

B737-700s are just entering service with Southwest, as supply and assembly problems slowed the production lines in 1997, and Boeing is playing "catch-up" on an overly ambitious production schedule. Prospects for the 3rd generation 737 jets are considerably enhanced by the discontinuation of the MD-80/-90 series. The MD-95 has been adopted by Boeing as its 100-seat competitor under the aegis of B-717. On the other hand, Airbus is becoming more aggressive with its A319/320/321 high tech series and winning an increasing share of orders.

As the industry approaches the peak of the current cycle, the prospects for a downturn increase, together with deferrals and cancellations of orders for both manufacturers. Although Boeing has recently stated that the future market will consist of more narrow-bodied aircraft like the 737 and 757 series.

ECONOMICS -- There is no in-service operating data for the B737-NG (Next Generation) aircraft. However, it may be reliably assumed that this data will prove that this model to be highly efficient.

These Next Generation B-737s are just entering service. More than 40 700s are already flying, most with Southwest, the launch customer. The 600's are expected to enter service early next year, and the 800's already have more than a dozen flying. Boeing is struggling to ramp-up production to 21 a month just as orders are peaking out. Despite the Asian flu, orders are thriving this year, with 240 through July. Airbus has achieved 247 for its rival A-319/320/321 series so far this year.

MBA continues to hold the Current Market Prices of the next generation B-737s at 100 percent of Base Value.

[GRAPHIC OF AIRPLANE] BOEING 757-200

The 757 was conceived in 1978 as the successor to the 727. First deliveries took place in late 1982 as 727 production was terminated. The aircraft was somewhat slow in penetrating the market, as it came on-line in the depression of the early 1980s, but has seen accelerating popularity in the late 1980s and 90s. The aircraft is offered in two engine configurations, Rolls Royce and Pratt & Whitney. The aircraft's popularity has increased as airlines have grown to appreciate its fuel economy and operating efficiency. As of January 1, 1999, the Rolls version had the greater market share, with 418 deliveries and 35 on order, compared to 310 deliveries and 58 orders/options for the P&W version. Both versions have achieved decent operator bases, with 43 airlines ordering the RR version and 19 the P&W. A cargo version is also in production, with 75 already produced and 5 more on order. United Parcel Service was the major purchaser, ordering 35 P&W powered models, and then 20 more Rolls-powered configurations along with 41 options.

The 757's capabilities have grown in the 17 years it has been produced, and it is currently available at much higher gross weights and in an ER (extended range) version used by several European carriers in transatlantic operations. In late 1995 and 1996 a total of three 757s were lost in accidents, with crew reactions to emergency situations considered the probable cause. In the prior 15 years only one had been lost in a hijacking situation in China.

The very large backlog of undelivered ordered and optioned 757s speaks to the excellence of the aircraft. The economic superiority of the 757 over the smaller narrowbodies (737 and

MD-80) suggests that the heaviest casualties may befall these latter aircraft, and that the airlines will tend to move up to the 757. The major competitor to the 757 is not the smaller American twins, but rather the Airbus A319/320/321 series which has piled up an impressive order backlog, and is increasingly penetrating the U.S. market, as seen by USAir's recent order for up to 400 -- at the expense of existing Boeing options. Current operating costs suggest the A320 is up to 25 percent more efficient than the 737s or MD-80s, and even equal to, or superior to, the 757, but Boeing's own B-737-800/900s also challenge the B-757 from below.

The difficulty in placing Eastern's 25-plane fleet after its bankruptcy perhaps raises a note of caution with respect to any aircraft. Their disposal required some two years, involving lessors, banks, and Boeing. Realizations were reasonable in the early transactions, but tended to decline later. The fact that the aircraft were encumbered by tax benefit transfer liabilities did not appear to be a factor. There have been no recent "fire sales" of this nature. In the final analysis, the 757 is assured of a firm share of the aircraft market for many years to come in both passenger and cargo configuration. It has excellent environmental characteristics and has not experienced technical difficulties.

ECONOMICS

The MBA Model shows the 757 to be one of the most efficient aircraft of any type, size, or age. Its combination of capacity, low fuel consumption and reasonable price all contribute to its outstanding economics. We expect that the 757 will prove to be one of the strongest players in the residual value market for the next two decades.

[GRAPHIC OF AIRPLANE] BOEING 777-200

The 777 is currently the world's largest widebody twin. It is Boeing's answer to the Airbus Industrie A330 and, to a lesser extent, the Douglas MD-11, both of which are filling a gap between Boeing's 767 and 747 lines. The A330 and MD-11 have the distinct marketing advantage of being in service from two to seven years ahead of the 777, and already have large order books (A330) and customer lists. Boeing is playing catch-up in this market segment, but is doing it with typical Boeing combination of power and finesse. Only three years following its introduction, 72 have been delivered with 288 on order.

The initial 777 design was the -200A (now the -200), followed by the -200IGW (Increase Gross Weight) and featured all of the three major high bypass engines: the P&W 4074, the Rolls Royce Trent 871, and the General Electric 90-B3. Gross weight has already been increased to 545,000 pounds for the -200, and 642,000 pounds for the -200IGW/-300. A maximum seating capacity of 440 passengers is available in the -200/-200IGW model and 550 in the newly announced -300 version. Fair Market Values for the -200 versions are $117.7 and $125.5 million, respectively, while the -300 is expected to premier at $146.0 million.

Production of the low gross version is expected to cease after the -300 is debuted, but it will coexist, even as the increased capacity 767-400ER moves into the lower end of the 777 capacity market.

To an increasing degree, Boeing is competing against itself as it offers an even more variegated selection of aircraft derivatives.

ECONOMICS

The 777 should have operating characteristics and seat mile costs very comparable to the A330 and considerably better than the MD-11, according to the MBA economic model. It will particularly appeal to the large segment of the market which traditionally buys Boeing. Helped by the normal maintenance-free ride, United reported 1996 777 DOCs at 3.06c per available seat mile (ASM), the cheapest in its fleet and 13.6 percent below the 747-400. Ownership costs as a percent of DOCs are: 747-400 -- 29.2 percent, and 777-200 -- 24.6 percent.

The 777 has the initial advantage of low maintenance costs, an all-new technological design, a two-person crew, low specific fuel consumption, and high capacity. Its operating margin and net margin after financial costs should be among the best of all aircraft types, even though the projected lease costs are 24.1 percent of total operating expense. The aircraft may require some modification of airport gate facilities to handle its great wing span (folding wings are available at extra cost, but no one has ordered them). The 777 will be well-suited to meeting airline expansion needs in markets where added frequencies are no longer possible due to slot and gate facility restrictions.

Boeing's B-777 was its first all-new product in 20 years. Not since the B-757 and B-767 in 1982 has Boeing offered an all-new design. However, the B-777 does not go technically as far as the Airbus. Boeing incorporated glass cockpits, but eschewed fly-by-wire and side-stick controls. The B-777 got off to a strong start with 141 deliveries and 253 outstanding orders as of June 30, 1998. However, 109 of these advance orders were by Asia-Pacific carriers, and a significant attrition is expected in the next few years. Boeing is offering the B-777 in a low gross, high gross, and stretched version, each with all three "big" engines. This Balkanization of the product line has no doubt diluted Boeing's profits and complicated its production process. The B-777 was in direct competition not only with the Airbus A330/340, but also with the MD-11 product line, no doubt hastening its demise.

MBA currently values the B-777's Current Market Prices at 100 percent of Base Value.

III. VALUATION (1992-2 EETC)

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)
B737-700, CFM56-7B24, 153,000(lb) MTOW			
JULY 99	28945	N24729	36.11
AUGUST 99	28948	N16732	36.18
SEPTEMBER 99	28800	N14735	36.25
	28803	N24736	

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)
B737-800, CFM56-7B26 Engines, 172,500(lb) MTOW			
SEPTEMBER 99	28801	N35236	44.72
OCTOBER 99	28804	N12238	44.81
	28951	N27239	
	28953	N14240	
	28952	N54241	
	28805	N14242	
	28806	N18243	
NOVEMBER 99	28954	N17244	44.90
	28955	N17245	
	28956	N27246	
DECEMBER 99	28807	N36247	44.99
	28808	N13248	
	28809	N14249	
	28957	N14250	
	28958	N25201	

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)
B757-200, RB211-535E4B, 255,000(lb) MTOW			
NOVEMBER 99	30229	N34137	59.48
DECEMBER 99	30351	N13138	59.60

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)
B777-200B, GE90B Engines, 648,000(lb) MTOW			
AUGUST 99	29860	N77012	132.69
SEPTEMBER 99	29861	N78013	132.96
OCTOBER 99	29862	N77014	133.22

In developing the CBV of these aircraft, MBA did not inspect the aircraft or its historical maintenance documentation. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of an aircraft when more detailed information is not available. The principal assumptions are as follows (for each aircraft):

1. The aircraft is to be delivered new.

2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of new delivery otherwise specified.

3. The specifications of the aircraft are those most common for an aircraft of this type new delivery.

4. The aircraft is in a standard airline configuration.

5. Its modification status is comparable to that most common for an aircraft of its type and vintage.

6. No accounting is made for lease obligations or terms of ownership.

IV. COVENANTS

This report has been prepared for the exclusive use of Credit Suisse -- First Boston/CAL and shall not be provided to other parties by MBA without the express consent of Credit Suisse -- First Boston/CAL.

MBA certifies that this report has been independently prepared and that it fully and accurately reflects MBA's opinion as to the Current Base Value. MBA further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft.

This report represents the opinion of MBA as to the Current Base Value of the subject aircraft and is intended to be advisory only in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken or not taken by Credit Suisse -- First Boston/CAL or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

PREPARED BY:

/s/ Bryson P. Monteleone

BRYSON P. MONTELEONE
MANAGER OF OPERATIONS

REVIEWED BY:

/s/ Morten S. Beyer

MORTEN S. BEYER
CHAIRMAN AND CEO
ISTAT APPRAISER FELLOW

[AIRCRAFT INFORMATION SERVICES, INC. LOGO]

23 February 2000

Continental Airlines
1600 Smith Street HQSFN
Houston, TX 77002

Subject: AISI Report No.: A0S007BVO
AISI Sight Unseen New Aircraft Base Value Appraisal, Sixteen B737-800, Three B757-200Etop and Four B767-400ER Aircraft.

Reference:
(a) Morgan Stanley Memorandum 04 January 2000
(b) Credit Suisse First Boston fax 05 January 2000
(c) Email messages 07/12/13 January 2000
(d) Email message 22 February 2000

Dear Gentlemen:

Aircraft Information Services, Inc. (AISI) is pleased to offer Continental Airlines our opinion of the sight unseen base market value of various new aircraft scheduled to be delivered from the manufacturer to Continental Airlines between February 2000 and December 2000 as listed and defined in Table I.

1. METHODOLOGY AND DEFINITIONS

The method used by AISI in its valuation of the Aircraft was based both on a review of information and Aircraft specifications supplied by the client and also on a review of present and past market conditions, various expert opinions (such as aircraft brokers and financiers) and information contained in AISI's databases that help determine aircraft availability and price data and thus arrive at the appraised base values for the new aircraft to be delivered to Continental Airlines.

The standard terms of reference for commercial aircraft value are 'half-life base market value' and 'half-life current market value' of an 'average' aircraft. Base value is a theoretical value that assumes a balanced market while current market value is the value in the real market; both assume a hypothetical average aircraft condition. AISI value definitions are consistent with the current definitions of the International Society of Transport Aircraft Trading (ISTAT). AISI is a member of that organization and employs an ISTAT Certified and Senior Certified Aircraft Appraiser.

[AISI LOGO]

AISI defines a 'base value' as that of a transaction between equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, and with supply and demand of the sale item roughly in balance. Base values are typically given for aircraft in 'new' condition, 'average half-life' condition, or in a specifically described condition unique to a single aircraft at a specific time. An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. AISI assumes average condition unless otherwise specified in this report. 'Half-life' condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval. It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a 'current market value', which is synonymous with the older term 'fair market value' as that value which reflects the real market conditions, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term time constraint to buy or sell.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

2. VALUATION

The aircraft are valued predicated upon the reference (a), (b), (c) and (d) data which describes the aircraft MTOW, any engine upgrades, any added fuel capacity, and any added avionics or interior upgrades.

[AIRCRAFT INFORMATION SERVICES, INC. LOGO]

Following is AISI's opinion of the base market value for the subject aircraft on their respective scheduled delivery dates in current US Dollars. Valuations are presented in Table 1 subject to the assumptions, definitions and disclaimers herein.

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. Such conclusions and opinions are judgments that reflect conditions and values which are current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any parties action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/John D. McNicol

John D. McNicol
Vice President
Appraisals & Forecasts

[LOGO]

CONTINENTAL AIRLINES - AISI FILE #A0S007BVO
February 23, 2000

TABLE I

Scheduled Manufacturer's Delivery Date	Aircraft Serial Number	Expected Registration Number	New Delivery Base Value Current US Dollars
B737-800, CFM56-7B26 ENGINES, 174,200LB MTOW			
Jun-00	30429	N24202	$48,950,000
Jun-00	30613	N33203	$48,950,000
Jul-00	30576	N35204	$49,060,000
Jul-00	30577	N27205	$49,060,000
Jul-00	30578	N11206	$49,060,000
Aug-00	30579	N36207	$49,180,000
Aug-00	30580	N26208	$49,180,000
Aug-00	30581	N33209	$49,180,000
Sep-00	30582	N73251	$49,290,000
Sep-00	30583	N37252	$49,290,000
Sep-00	30584	N37253	$49,290,000
Sep-00	30779	N76254	$49,290,000
Oct-00	30610	N37255	$49,400,000
Oct-00	30611	N73256	$49,400,000
Nov-00	30612	N38257	$49,520,000
Nov-00	30802	N77258	$49,520,000
B757-200ETOP, RB211-535E4B ENGINES, 255,000LB MTOW			
Feb-00	30352	N17139	$60,520,000
Feb-00	30353	N41140	$60,520,000
Jun-00	30354	N19141	$61,080,000
B767-400ER, CF6-80C2B8F ENGINES, 450,000LB MTOW			
Jul-00	29446	N66051	$106,970,000
Aug-00	29447	N67052	$107,210,000
Oct-00	29448	N59053	$107,710,000
Dec-00	29449	N76054	$108,200,000

[AvSolutions, Inc. Letterhead]

February 23, 2000

Mr. Gerry Laderman
Senior Vice President, Corporate Finance
Continental Airlines, Inc.
1600 Smith Street HQ-SFN
Houston, Texas 77002

Dear Mr. Laderman:

AvSOLUTIONS is pleased to provide this opinion on the base value, as of February 2000, of sixteen Boeing 737-800, three Boeing 757-200 and four Boeing 767-400ER aircraft (the aircraft). The Boeing 737-800 aircraft are powered by CFM International CFM56-7B26 engines. The Boeing 757-200 aircraft are powered by Rolls-Royce RB211-535E4B engines. The Boeing 767-400ER aircraft are powered by General Electric CF6-80C2B8F engines. The total of twenty-three aircraft will be delivered new to Continental Airlines, Inc. from the first quarter of 2000 through the fourth quarter of 2000. A listing of the particular aircraft is provided as attachment 1 of this document.

Set forth below is a summary of the methodology, considerations and assumptions utilized in this appraisal.

BASE VALUE

Base value is the appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use". An aircraft's base value is founded in the historical trend of values and in the projection of future value trends and presumes an arm's length, cash transaction between willing, able and knowledge parties, acting prudently, with an absence of duress and with a reasonable period of time available for marketing.

CURRENT FAIR MARKET VALUE

According to the International Society of Transport Aircraft Trading's (ISTAT) definition of Fair Market Value (FMV), to which AvSOLUTIONS subscribes, the quoted FMV is the appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market circumstances that are perceived to exist at the time in question. The fair market value assumes that the aircraft is valued for its highest and best use, that the parties to the hypothetical sales transaction are willing, able, prudent and knowledgeable, and under no unusual pressure for a prompt sale, and that the transaction would be negotiated in an open and unrestricted market on an arm's length basis, for cash equivalent consideration, and given an adequate amount of time for effective market exposure to prospective buyers, which AvSOLUTIONS considers to be ten to twenty months.

10687 Gaskins Way, Suite 200, Manassas, Virginia 20109-2371, USA
Telephone: 703-330-0461 Fax: 703-330-0581
EMAIL: AVSOL@AVSOLUTIONS.COM

APPRAISAL METHODOLOGY

The method employed by AvSOLUTIONS to appraise the current and future values of aircraft and the associated equipment addresses the factors that influence the market value of an aircraft, such as its age, condition, configuration, the population of similar aircraft, similar aircraft on the market, operating costs, cost to acquire a new aircraft, and the state of demand for transportation services.

To achieve this objective, cross-sectional data concerning the values of aircraft in each of several general categories is collected and analyzed. Cross-sectional data is then postulated and compared with reported market values at a specified point in time. Such data reflects the effect of deterioration in aircraft performance due to usage and exposure to the elements, as well as the effect of obsolescence due to the evolutionary development and implementation of new designs and materials.

The product of the analysis identifies the relationship between the value of each aircraft and its characteristics, such as age, model designation, service configuration and engine type. Once the relationship is identified, one can then postulate the effects of the difference between the economic circumstances at the time when the cross-sectional data were collected and the current situation. Therefore, if one can determine the current value of an aircraft in one category, it is possible to estimate the current values of all aircraft in that category.

The manufacturer and size of the aircraft usually determine the specific category to which it is assigned. Segregating the world airplane fleet in this manner accommodates the potential effects of different size and different design philosophies.

The variability of the data used by AvSOLUTIONS to determine the current and future market values implies that the actual value realized will fall within a range of values. Therefore, if a contemplated value falls within the specified confidence range, AvSOLUTIONS cannot reject the hypothesis that it is a reasonable representation of the current market situation.

LIMITING CONDITIONS AND ASSUMPTIONS

In order to conduct this valuation, AvSOLUTIONS is solely relying on information as supplied by Continental Airlines, Inc. or Morgan Stanley Dean Witter or Credit Suisse First Boston Corporation, and from data within AvSOLUTIONS' own database. In determining the base value of the subject aircraft, the following assumptions have been researched and determined:

[AvSOLUTIONS LOGO]

1. AvSOLUTIONS has not inspected these aircraft or their maintenance records; accordingly, AvSOLUTIONS cannot attest to their specific location or condition.

2. The aircraft will be delivered new to Continental Airlines, Inc. between the first quarter of 2000 and the fourth quarter of 2000.

3. The aircraft will be certified, maintained and operated under United States Federal Aviation Regulation (FAR) part 121.

4. All mandatory inspections and Airworthiness Directives have been complied with.

5. The aircraft have no damage history.

6. The aircraft are in good condition.

7. AvSOLUTIONS considers the economic useful life of these aircraft to be at least 32 years.

Based upon the above methodology, considerations and assumptions, it is AvSOLUTIONS' opinion that the base value of each aircraft is as listed in attachment 1.

[AvSOLUTIONS LOGO]

STATEMENT OF INDEPENDENCE

This appraisal report represents the opinion of AvSOLUTIONS, and is intended to be advisory in nature. Therefore, AvSOLUTIONS assumes no responsibility or legal liability for actions taken or not taken by the Client or any other party with regard to the subject aircraft. By accepting this report, the Client agrees that AvSOLUTIONS shall bear no responsibility or legal liability regarding this report. Further, this report is prepared for the exclusive use of the Client and shall not be provided to other parties without the Client's express consent.

Aviation Solutions Inc. (AvSOLUTIONS) hereby states that this valuation report has been independently prepared and fairly represents the subject aircraft and AvSOLUTIONS' opinion of their values. Aviation Solutions Inc. (AvSOLUTIONS) further states that it has no present or contemplated future interest or association with the subject aircraft.

Signed,

/s/ Bryant Lynch

Bryant Lynch
Manager, Commercial Appraisals

[AV SOLUTIONS LOGO]

ATTACHMENT 1

EETC COLLATERAL SUMMARY

page one

Aircraft Number	Aircraft	Serial Number	Delivery Qtr/Yr	Engines	MTOW (pounds)	Base Value
1	Boeing 737-800	30429	2/2000	CFM56-7B26	174,200	$48,141,000
2	Boeing 737-800	30613	2/2000	CFM56-7B26	174,200	$48,141,000
3	Boeing 737-800	30576	3/2000	CFM56-7B26	174,200	$48,454,000
4	Boeing 737-800	30577	3/2000	CFM56-7B26	174,200	$48,454,000
5	Boeing 737-800	30578	3/2000	CFM56-7B26	174,200	$48,454,000
6	Boeing 737-800	30579	3/2000	CFM56-7B26	174,200	$48,454,000
7	Boeing 737-800	30580	3/2000	CFM56-7B26	174,200	$48,454,000
8	Boeing 737-800	30581	3/2000	CFM56-7B26	174,200	$48,454,000
9	Boeing 737-800	30582	3/2000	CFM56-7B26	174,200	$48,454,000
10	Boeing 737-800	30583	3/2000	CFM56-7B26	174,200	$48,454,000
11	Boeing 737-800	30584	3/2000	CFM56-7B26	174,200	$48,454,000
12	Boeing 737-800	30779	3/2000	CFM56-7B26	174,200	$48,454,000
13	Boeing 737-800	30610	4/2000	CFM56-7B26	174,200	$48,770,000
14	Boeing 737-800	30611	4/2000	CFM56-7B26	174,200	$48,770,000
15	Boeing 737-800	30612	4/2000	CFM56-7B26	174,200	$48,770,000
16	Boeing 737-800	30802	4/2000	CFM56-7B26	174,200	$48,770,000

Aircraft Number	Aircraft	Serial Number	Delivery Qtr/Yr	Engines	MTOW (pounds)	Base Value
17	Boeing 757-200	30352	1/2000	RB211-535E4B	255,000	$59,239,000
18	Boeing 757-200	30353	1/2000	RB211-535E4B	255,000	$59,239,000
19	Boeing 757-200	30354	2/2000	RB211-535E4B	255,000	$59,625,000

[AvSOLUTIONS LOGO]

ATTACHMENT 1
EETC COLLATERAL SUMMARY

page two

Aircraft Number	Aircraft	Serial Number	Delivery Qtr/Yr	Engines	MTOW (pounds)	Base Value
20	Boeing 767-400ER	29446	3/2000	CF6-80C2B8F	450,000	$107,028,000
21	Boeing 767-400ER	29447	3/2000	CF6-80C2B8F	450,000	$107,028,000
22	Boeing 767-400ER	29448	4/2000	CF6-80C2B8F	450,000	$107,913,000
23	Boeing 767-400ER	29449	4/2000	CF6-80C2B8F	450,000	$107,913,000

MORTEN BEYER & AGNEW

AVIATION CONSULTING FIRM

Appraisal of 23 Aircraft (2000-1 EETC)

PREPARED FOR:

Continental Airlines

JANUARY 17, 2000

Washington, D.C.	London
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[MBA LOGO]

I. INTRODUCTION AND EXECUTIVE SUMMARY

MORTEN BEYER AND AGNEW (MBA) has been retained by Continental Airlines, Inc. to determine the Current Base Value (CBV) of 23 Boeing aircraft to be delivered new over the next eleven months. The aircraft are further identified in Section II of this report.

MBA uses the definition of certain terms, such as CMV and Base Value (BV), as promulgated by the International Society of Transport Aircraft Trading (ISTAT), a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, appraisers, brokers, and others who have a vested interest in the commercial aviation industry.

ISTAT defines Market Value (MV) as the appraiser's opinion of the most likely trading price that may be generated for an aircraft under market conditions that are perceived to exist at the time in question. MV assumes that the aircraft is valued for its highest, best use; that the parties to the hypothetical sale are willing, able, prudent and knowledgeable and under no unusual pressure for a prompt sale; and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

The ISTAT definition of Base Value (BV) has, essentially, the same elements of MV except that the market circumstances are assumed to be in a reasonable state of equilibrium. Thus, BV pertains to an idealized aircraft and market combination, but will not necessarily reflect the actual MV of the aircraft in question. BV is founded in the historical trend of values and is generally used to analyze historical values or to project future values. The Current Base Value is the BV at the time of this opinion, effective upon the defined delivery dates of the subject aircraft assets.

II. CURRENT MARKET CONDITIONS

[PHOTO OF PLANE} BOEING 737-700/800 SERIES

NUMBER OF OPERATORS: 30
AIRCRAFT ORDERED: 520
AIRCRAFT DELIVERED 171

Boeing began replacing the trio of B-737-300/-400/-500s with upgraded new generation versions beginning with B-737-700 in 1997. Southwest Airlines' order for 63 of the series officially launched the program in late 1993, and new orders increased rapidly. Boeing ramped-up production to 278 last year, but will have to cut again as orders are filled in 2000 and not being replaced. 1999 new orders fell to 265.

The fuselage of the new aircraft mirror that of the old (which were out-growths of the original -100s and -200s). Upgraded avionics, a new wing design, and other improvements combine to increase range, efficiency, and performance in general. The CFM56-7 is the exclusive engine for the 3rd generation. However, Boeing is losing market share to the more comfortable, wider A320 family.

Prospects for the 3rd generation B-737 jets were thought to be considerably enhanced by the discontinuation of the MD-80/-90 series. The MD-95 has been adopted by Boeing as its 100-seat competitor under the aegis of B-717, competing with its own B-737-600. Airbus is becoming more aggressive with its A318/319/320/321 high-tech series and winning an increasing share of orders. During 1998 Airbus had 437 narrowbody orders. Boeing had 516, including 28 MD-80/-90s. In 1999, Airbus overwhelmed Boeing with 408 narrowbody orders to Boeing's 106.

As the industry passes the peak of the current cycle, the prospects for a downturn increase, together with deferrals and cancellations of orders for both manufacturers.

[PHOTO OF PLANE] BOEING 757-200

NUMBER OF OPERATORS: 69
AIRCRAFT ORDERED: 1035
AIRCRAFT DELIVERED: 880

The 757 was conceived in 1978 as the successor to the 727. First deliveries took place in late 1982 as the 727 production was terminated. The aircraft was somewhat slow in penetrating the market, as it came on-line in the depression of the early 1980s, but has seen accelerating popularity in the late 1980s and 90s. The aircraft is offered in two engine configurations, Rolls Royce and Pratt & Whitney. The aircraft's popularity has increased as airlines have grown to appreciate its fuel economy and operating efficiency.

The 757's capabilities have grown in the 18 years it has been produced, and it is currently available at much higher gross weights and in an ER (extended range) version used by several European carriers in transatlantic operations. In late 1995 and 1996 a total of three 757s were lost in accidents, with crew reactions to emergency situations considered the probable cause. In the prior 15 years only one had been lost in a hijacking situation in China.

The economic superiority of the 757 over the smaller narrowbodies (737 and MD-80) suggests that the heaviest casualties may befall these latter aircraft, and that the airlines will tend to move up to the 757. The major competitor to the 757 is not the smaller American twins, but rather the Airbus A319/320/321 series which has piled up an impressive order backlog, and is increasingly penetrating the U.S. market, as seen by USAir's recent order for up to 400 -- at the expense of then existing Boeing options. Current operating costs suggest the A320 is up to 25 percent more efficient than the 737s or MD-80s, and even equal to, or superior to, the 757, but Boeing's own B-737-800/900s also challenge the B-757 from below.

In the final analysis, the 757 is assured of a firm share of the aircraft market for many years to come in both passenger and cargo configuration. It has excellent environmental characteristics and has not experienced technical difficulties, and should meet reasonable Stage 4 Noise levels.

ECONOMICS - The MBA Model shows the 757 to be one of the most efficient aircraft of any type, size, or age. Its combination of capacity, low fuel consumption and reasonable price all

contribute to its outstanding economics. We expect that the 757 will prove to be one of the strongest players in the residual value market for the next two decades.

BOEING 767-400ER
[Photo of Boeing 767-400ER]

Number of Operators: 2
Aircraft Ordered: 59
Aircraft Delivered 0

Boeing tried to interest Delta in buying more B-777s, but the aircraft was just too much for the Atlanta airline who was already suffering indigestion on its MD-11s. Delta is a big B-767 operator with 94 in service and 24 on order. Boeing obligingly agreed to stretch the B-767-300ER to the -400ER configuration, increasing gross weight from 412,000 pounds to 450,000 and seating up to 375, only 65 below the B-777 and about the same as its 40-odd remaining L-1011s which it is retiring. Delta and Continental are the only airlines with B-767-400ER so far, totaling 47. There are eight additional orders from lessors.

MBA estimates the initial offering price to be $105.09 million with initial engines to be the GE CF6-80C2B7F's. P&W or Rolls engines can also be ordered if the customer desires. First delivery will be early this year.

III. VALUATION (2000-1 EETC)

Scheduled Manufacturer's Delivery Date	Aircraft Serial Number	Continental Tail Number	Adj. Base Value ($000,000)
	B737-800, CFM56-7B26, 174,200(lb) MTOW		
JUN-00	30429	N24202	43.01
	30613	N33203	43.01
JUL-00	30576	N35204	43.11
	30577	N27205	43.11
	30578	N11206	43.11
AUG-00	30579	N36207	43.20
	30580	N26208	43.20
	30581	N33209	43.20
SEP-00	30582	N73251	43.28
	30583	N37252	43.28
	30584	N37253	43.28
	30779	N76254	43.28
OCT-00	30610	N37255	43.36
	30611	N73256	43.36
NOV-00	30612	N38257	43.46
	30802	N77258	43.46

Scheduled Manufacturer's Delivery Date	Aircraft Serial Number	Continental Tail Number	Adj. Base Value ($000,000)
	B757-200, RB211-535E4B, Engines, 255,000(lb) MTOW		
FEB-00	30352	N17139	58.07
	30353	N41140	58.07
JUN-00	30354	N19141	58.54

Scheduled Manufacturer's Delivery Date	Aircraft Serial Number	Continental Tail Number	Adj. Base Value ($000,000)
	B767-400ER, CF6-80C2B8F Engines, 450,000(lb) MTOW		
JUL-00	29446	N66051	97.20
AUG-00	29447	N67052	97.40
OCT-00	29448	N59053	97.80
DEC-00	29449	N76054	98.20

7

In developing the CBV of these aircraft, MBA did not inspect the aircraft or its historical maintenance documentation. Therefore, we used certain assumptions that are generally accepted industry practice to calculate the value of an aircraft when more detailed information is not available. The principal assumptions are as follows (for each aircraft):

1. The aircraft is to be delivered new.

2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of new delivery otherwise specified.

3. The specifications of the aircraft are those most common for an aircraft of this type new delivery.

4. The aircraft is in a standard airline configuration.

5. Its modification status is comparable to that most common for an aircraft of its type and vintage.

6. No accounting is made for lease obligations or terms of ownership.

IV. COVENANTS

This report has been prepared for the exclusive use of Credit Suisse-First Boston/Continental Airlines and shall not be provided to other parties by MBA without the express consent of Credit Suisse-First Boston/Continental Airlines.

MBA certifies that this report has been independently prepared and that it fully and accurately reflects MBA's opinion as to the Current Base Value. MBA further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft.

This report represents the opinion of MBA as to the Current Base Value of the subject aircraft and is intended to be advisory only, in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken, or not taken, by Credit Suisse-First Boston/Continental Airlines or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

PREPARED BY:

/s/ Bryson P. Monteleone

BRYSON P. MONTELEONE
DIRECTOR OF OPERATIONS

REVIEWED BY:

January 17, 2000
Ref #00111

/s/ Morten S. Beyer

MORTEN S. BEYER, APPRAISER FELLOW
CHAIRMAN & CEO
ISTAT CERTIFIED SENIOR APPRAISER

[AISI LOGO] AIRCRAFT INFORMATION SERVICES, INC.

31 October 2000

Continental Airlines
1600 Smith Street HQSFN
Houston, TX 77002

Subject: AISI Report No.: A0S051BVO
AISI Sight Unseen New Aircraft Base Value Appraisal, Fourteen B737-800, Ten B737-900, Six B767-200ER and Two B767-400ER Aircraft.

Reference: (a) Credit Suisse First Boston Email message 25 August 2000

Dear Gentlemen:

Aircraft Information Services, Inc. (AISI) is pleased to offer Continental Airlines our opinion of the sight unseen base market value of various new aircraft scheduled to be delivered from the manufacturer to Continental Airlines between February 2001 and December 2001 as listed and defined in Table I and referenced (a) data above.

1. METHODOLOGY AND DEFINITIONS

The method used by AISI in its valuation of the Aircraft was based both on a review of information and Aircraft specifications supplied by the client and also on a review of present and past market conditions, various expert opinions (such as aircraft brokers and financiers) and information contained in AISI's databases that help determine aircraft availability and price data and thus arrive at the appraised base values for the new aircraft to be delivered to Continental Airlines.

The standard terms of reference for commercial aircraft value are 'half-life base market value, and 'half-life current market value' of an 'average' aircraft. Base value is a theoretical value that assumes a balanced market while current market value is the value in the real market; both assume a hypothetical average aircraft condition. AISI value definitions are consistent with the current definitions of the International Society of Transport Aircraft Trading (ISTAT), those of 01 January 1994. AISI is a member of that organization and employs an ISTAT Certified and Senior Certified Aircraft Appraiser.

Headquarters: 26072 Merit Circle, Suite 123, Laguna Hills, CA 92653
Tel: 949-582-8888 FAX: 949-582-8887 E-MAIL: AISINews@aol.com

AISI defines a 'base value' as that of a transaction between equally willing and informed buyer and seller, neither under compulsion to buy or sell, for a single unit cash transaction with no hidden value or liability, and with supply and demand of the sale item roughly in balance. Base values are typically given for aircraft in 'new' condition, 'average half-life' condition, or in a specifically described condition unique to a single aircraft at a specific time. An 'average' aircraft is an operable airworthy aircraft in average physical condition and with average accumulated flight hours and cycles, with clear title and standard unrestricted certificate of airworthiness, and registered in an authority which does not represent a penalty to aircraft value or liquidity, with no damage history and with inventory configuration and level of modification which is normal for its intended use and age. AISI assumes average condition unless otherwise specified in this report. 'Half-life' condition assumes that every component or maintenance service which has a prescribed interval that determines its service life, overhaul interval or interval between maintenance services, is at a condition which is one-half of the total interval. It should be noted that AISI and ISTAT value definitions apply to a transaction involving a single aircraft, and that transactions involving more than one aircraft are often executed at considerable and highly variable discounts to a single aircraft price, for a variety of reasons relating to an individual buyer or seller.

AISI defines a 'current market value', which is synonymous with the older term 'fair market value' as that value which reflects the real market conditions, whether at, above or below the base value conditions. Assumption of a single unit sale and definitions of aircraft condition, buyer/seller qualifications and type of transaction remain unchanged from that of base value. Current market value takes into consideration the status of the economy in which the aircraft is used, the status of supply and demand for the particular aircraft type, the value of recent transactions and the opinions of informed buyers and sellers. Current market value assumes that there is no short term time constraint to buy or sell.

AISI encourages the use of base values to consider historical trends, to establish a consistent baseline for long term value comparisons and future value considerations, or to consider how actual market values vary from theoretical base values. Base values are less volatile than current market values and tend to diminish regularly with time. Base values are normally inappropriate to determine near term values. AISI encourages the use of current market values to consider the probable near term value of an aircraft.

2. VALUATION

The aircraft are valued predicated upon the reference (a) data which describes the aircraft MTOW and any engine upgrades. The aircraft are also assumed to have similar configurations and capabilities as previous aircraft delivered to Continental Airlines.

Following is AISI's opinion of the base market value for the subject aircraft on their respective scheduled delivery dates in current US Dollars. Valuations are presented in Table I subject to the assumptions, definitions and disclaimers herein.

TABLE I

Scheduled Manufacturer's Delivery Date	Aircraft Serial Number	Expected Registration Number	New Delivery Base Value Current USDollars
B737-800, CFM56-7B26 ENGINES, 174,200LB MTOW			
May-01	30803	N73259	$ 50,230,000
Jun-01	30855	N35260	$ 50,350,000
Jul-01	31582	N77261	$ 50,460,000
Jul-01	32402	N33262	$ 50,460,000
Aug-01	31583	N37263	$ 50,580,000
Aug-01	31584	N33264	$ 50,580,000
Aug-01	31585	N76265	$ 50,580,000
Aug-01	32403	N33266	$ 50,580,000
Sep-01	31586	N37267	$ 50,700,000
Sep-01	31587	N38268	$ 50,700,000
Oct-01	31588	N76269	$ 50,810,000
Oct-01	31632	N73270	$ 50,810,000
Nov-01	31589	N36272	$ 50,930,000
Nov-01	31590	N37273	$ 50,930,000
B737-900, CFM56-7B26 ENGINES, 174,200LB MTOW			
May-01	30118	N30401	$ 51,580,000
Jun-01	30119	N79402	$ 51,700,000
Jul-01	30120	N38403	$ 51,820,000
Jul-01	30121	N32404	$ 51,820,000
Aug-01	30122	N72405	$ 51,940,000
Sep-01	TBD	N73406	$ 52,060,000
Sep-01	TBD	N35407	$ 52,060,000
Oct-01	TBD	N37408	$ 52,180,000
Nov-01	TBD	N37409	$ 52,300,000
Dec-01	TBD	N75410	$ 52,420,000
B767-200ER, CF6-80C2B4F ENGINES, 395,000LB MTOW			
Feb-01	30434	N68155	$ 81,000,000
Mar-01	30435	N76156	$ 81,190,000
Apr-01	30436	N67157	$ 81,380,000
May-01	30437	N67158	$ 81,570,000
Jul-01	30438	N68159	$ 81,940,000
Oct-01	30439	N68160	$ 82,510,000

B767-400ER, CF6-80C2B8F ENGINES, 450,000LB MTOW

Mar-01	29450	N76055	$108,990,000
Jun-01	29451	N66056	$109,740,000

Unless otherwise agreed by Aircraft Information Services, Inc. (AISI) in writing, this report shall be for the sole use of the client/addressee. This report is offered as a fair and unbiased assessment of the subject aircraft. AISI has no past, present, or anticipated future interest in the subject aircraft. The conclusions and opinions expressed in this report are based on published information, information provided by others, reasonable interpretations and calculations thereof and are given in good faith. Such conclusions and opinions are judgments that reflect conditions and values which are current at the time of this report. The values and conditions reported upon are subject to any subsequent change. AISI shall not be liable to any party for damages arising out of reliance or alleged reliance on this report, or for any parties action or failure to act as a result of reliance or alleged reliance on this report.

Sincerely,

AIRCRAFT INFORMATION SERVICES, INC.

/s/ John D. McNicol

John D. McNicol
Vice President
Appraisals & Forecasts

[AVITAS LOGO]

INTRODUCTION

AVITAS, Inc. has been retained by Continental Airlines (the "Client") to provide its opinion as to the Base Value for fourteen (14) Boeing 737-800, ten (10) Boeing 737-900, six (6) Boeing 767-200ER and two (2) Boeing 767-400ER aircraft. The subject aircraft are identified and their values are set forth in Figure 1 in this report.

The values presented in this report assume that this aircraft will be in new, "flyaway" condition and fully certificated for commercial operations. We have further assumed that the subject aircraft will be operated under the air transport regulations of a major nation.

The values presented in this report do not take into consideration fleet sales, attached leases, tax considerations or other factors that might be considered in structuring the terms and conditions of a specific transaction. These factors do not directly affect the value of the aircraft itself but can affect the economics of the transaction. Therefore, the negotiated striking price in an aircraft transaction may take into consideration factors such as the present value of the future lease stream, the terms and conditions of the specific lease agreement and the impact of tax considerations.

DEFINITIONS

AVITAS's value definitions conform to those of the International Society of Transport Aircraft Trading ("ISTAT") adopted in January 1994, and are summarized as follows:

- - BASE VALUE is the appraiser's opinion of the underlying economic value of an aircraft in an open, unrestricted, stable market environment with a reasonable balance of supply and demand, and assumes full consideration of its "highest and best use." An aircraft's Base Value is founded in the historical trend of values and in the projection of value trends and presumes an arm's-length, cash transaction between willing and knowledgeable parties, acting prudently, with an absence of duress and with a reasonable period of time for marketing. Base Value typically assumes that an aircraft's physical condition is average for an aircraft of its type and age, and its maintenance time status is at mid-life, mid-time (or benefiting from an above-average maintenance status if it is new or nearly new).

[GLOBE GRAPHIC]

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- - MARKET VALUE (or CURRENT MARKET VALUE if the value pertains to the time of the analysis) is the appraiser's opinion of the most likely trading price that may be generated for an aircraft under the market conditions that are perceived to exist at the time in question given an adequate amount of time to properly market it. It assumes that an aircraft's physical condition is average for an aircraft of its type and age, and its maintenance time status is at mid-life, mid-time (or benefiting from an above-average maintenance status if it is new or nearly new). Market Value is synonymous with Fair Market Value.

AIRCRAFT VALUE

AVITAS's opinion as to the value of the subject aircraft is presented below in millions of U.S. dollars. Base Values are as of the delivery dates for each aircraft.

With regard to new aircraft, AVITAS considers the Base Value and the Market Value to be the same. The Base Value of a new aircraft is the typical price paid by an average operator in a single unit or small lot sale. Actual transaction prices may be either above or below that level due to a number of factors. For example, a launch order or a large fleet order may result in discounts, whereas a single unit sale to a small operator who needs a substantial amount of support may be approaching the list price.

Furthermore, implicit in these values is AVITAS's assumption that the new aircraft will remain with the original operator for at least two years. If a newly delivered aircraft comes onto the market, the seller is at an immediate disadvantage as he is likely to be in competition with the manufacturer who can offer training and support.

[AVITAS LOGO]

CONTINENTAL AIRLINES OCTOBER 31, 2000

Figure 1

Continental Airlines
Aircraft Description & Summary of Aircraft Values in US$ Million

No.	Type	Engines	Serial Number	Reg. Number	Yr. Del.	Qtr. Del.	MTOW (lbs)	Base Value
1	737-800	CFM56-7B26	30803	N73259	2001	2	174,200	$ 45.1
2	737-800	CFM56-7B26	30855	N35260	2001	2	174,200	45.1
3	737-800	CFM56-7B26	31582	N77261	2001	3	174,200	45.5
4	737-800	CFM56-7B26	32402	N33262	2001	3	174,200	45.5
5	737-800	CFM56-7B26	31583	N37263	2001	3	174,200	45.5
6	737-800	CFM56-7B26	31584	N33264	2001	3	174,200	45.5
7	737-800	CFM56-7B26	31585	N76265	2001	3	174,200	45.5
8	737-800	CFM56-7B26	32403	N33266	2001	3	174,200	45.5
9	737-800	CFM56-7B26	31586	N37267	2001	3	174,200	45.5
10	737-800	CFM56-7B26	31587	N38268	2001	3	174,200	45.5
11	737-800	CFM56-7B26	31588	N76269	2001	4	174,200	45.8
12	737-800	CFM56-7B26	31632	N73270	2001	4	174,200	45.8
13	737-800	CFM56-7B26	31589	N36272	2001	4	174,200	45.8
14	737-800	CFM56-7B26	31590	N37273	2001	4	174,200	45.8
15	737-900	CFM56-7B26	30118	N30401	2001	2	174,200	48.2
16	737-900	CFM56-7B26	30119	N79402	2001	2	174,200	48.2
17	737-900	CFM56-7B26	30120	N38403	2001	3	174,200	48.6
18	737-900	CFM56-7B26	30121	N32404	2001	3	174,200	48.6
19	737-900	CFM56-7B26	30122	N72405	2001	3	174,200	48.6
20	737-900	CFM56-7B26	TBD	N73406	2001	3	174,200	48.6
21	737-900	CFM56-7B26	TBD	N35407	2001	3	174,200	48.6
22	737-900	CFM56-7B26	TBD	N37408	2001	4	174,200	48.9
23	737-900	CFM56-7B26	TBD	N37409	2001	4	174,200	48.9
24	737-900	CFM56-7B26	TBD	N75410	2001	4	174,200	48.9
25	767-200ER	CF6-80C2B4F	30434	N68155	2001	1	395,000	72.8
26	767-200ER	CF6-80C2B4F	30435	N76156	2001	1	395,000	72.8
27	767-200ER	CF6-80C2B4F	30436	N67157	2001	2	395,000	73.3
28	767-200ER	CF6-80C2B4F	30437	N67158	2001	2	395,000	73.3
29	767-200ER	CF6-80C2B4F	30438	N68159	2001	3	395,000	73.9
30	767-200ER	CF6-80C2B4F	30439	N68160	2001	4	395,000	74.4
31	767-400ER	CF6-80C2B8F	29450	N76055	2001	1	450,000	94.1
32	767-400ER	CF6-80C2B8F	29451	N66056	2001	2	450,000	95.5

GRAND TOTAL	$ 1,753.4

GENERAL MARKET OVERVIEW

INTRODUCTION

AVITAS believes that the expected downturn in the commercial aircraft market is now upon us. The most recent indications are that values and lease rates for several key types have softened while the number of aircraft being offered for sale or lease has risen significantly, especially over the last two years. The increase in availability has been particularly marked for older narrowbodies and some older widebody types have begun to reach the end of their useful economic lives somewhat earlier than anticipated. Orders for new jet aircraft peaked in 1998 while deliveries reached a record high the following year.

Recent trends in the global economy have had a negative impact on aircraft values. Although the Asian recession has passed and recovery in the region now appears to be sustained, values of widebody types remain somewhat soft. However, there are signs that carriers based there, who represent a sizeable portion of the world market for widebodied aircraft, are once again giving their attention to fleet renewal and expansion. European and U.S. carriers operating routes to Asian destinations have also been rebuilding their schedules after the cutbacks introduced in the wake of the economic crisis of 1997 and 1998.

In the U.S., the generally robust financial health of the airline industry continues as growth in traffic volumes remains strong. However, the earnings peak was reached in 1998 and rising fuel costs have affected profitability. The passing of the Stage 2 noise gate at the end of 1999 resulted in increasing weakness in the values of many older narrowbodies. In Latin America, which has traditionally been a market for these aircraft, manufacturers have succeeded in placing more new equipment while negative financial developments in some countries have also been felt.

New aircraft prices have been kept in check due to intense sales competition between Airbus and Boeing. Airbus, which has steadily built up market share at Boeing's expense, is finalizing plans to make the transition to a more conventional corporate structure which should also help to foster a more competitive environment.

BACKGROUND - BOEING 737-800 AND 737-900

The Boeing 737-800 is a stretched version of the 737-400 capable of transporting up to 162 passengers in two-class configuration or 189 in a single class. The extra seating gives the -800 a reduction in seat-mile charges over the -400 for the same trip cost. The differences between the 737-800 and the A320 are far less pronounced than the other variants, thus tightening the competition. The seating of the 737-800 is greater than that of the A320 (189 vs 164 in a single class); however, it has a little less range.

In late 1997, Alaska Airlines launched the Boeing 737-900, which is a 737-800 stretched by nearly nine feet, with ten firm orders. The aircraft will have 18% more cargo volume and 9% more passenger cabin area than the 737-800. Deliveries are scheduled to begin in April 2001.

FIGURE 2

BOEING 737 FAMILY STATISTICS
AS OF JULY 2000

MODEL	AIRCRAFT IN SERVICE	OPERATORS	FIRM ORDERS
737-600	38	4	35
737-700	242	36	474
737-800	306	39	373
737-900	1		45
GRAND TOTAL	587	79	927

Source: BACK Information Services

The Figure below summarizes the performance capabilities of the 737NG series excluding the -600.

FIGURE 3

AIRCRAFT MODEL	SEATING CAPACITY BASIC	SEATING CAPACITY MAX	MTOW (LBS) BASIC	MTOW (LBS) MAX	RANGE BASIC	RANGE MAX
737-700	128	149	133,000	153,000	1,620	3,245
737-800	162	189	155,500	174,200	1,905	2,925
737-900	177	189	166,000	174,200	1,925	2,728

CURRENT MARKET - BOEING 737-800

CURRENT MARKET

AVITAS is of the opinion that the current market for the Boeing 737-800 aircraft is firm. There are presently 306 aircraft in service worldwide among 39 airline operators and a backlog of 373 firm orders and 127 options.

CURRENT OPERATOR BASE AND BACKLOG

As of July 2000, there were 306 737-800 aircraft in service among 39 operators and another 373 on firm order and 127 options for the type.

OUTLOOK AND FUTURE ASSET RISK ANALYSIS

With regard to the 737-800's competition, the A320-200, which has been in service since 1988, has 832 aircraft in service and 517 firm orders. The A320 offers a maximum takeoff weight of 162,000 to 169,000 pounds versus the 737-800's 155,500 to 174,200 pounds and similar range capability; but the 737-800 can have as many as 12 more seats than the A320, depending on interior configuration. Although Airbus has had a great degree of recent success with the A320-200 and the aircraft remains a tough competitor to the 737-800, to meet specific operating needs, the 737-800 can be ordered with higher

specifications than the A320. AVITAS believes the values for the 737-800 should remain firm despite intense competition in the foreseeable future.

CURRENT MARKET - BOEING 737-900

CURRENT MARKET

AVITAS is of the opinion that the current market for the Boeing 737-900, the newest B737NG jet aircraft, is stable. There is presently a backlog of 45 firm orders and 13 options. Alaska Airlines launched the aircraft in November 1997, with an order for 10 aircraft. Continental Airlines, KLM and Korean Airlines followed with orders for the type. The first aircraft is scheduled for delivery to Alaska Airlines in April of 2001.

CURRENT OPERATOR BASE AND BACKLOG

As shown in the Figure below, as of July 2000, there were 58 737-900 aircraft on backlog among four operators.

FIGURE 4

BOEING 737-900 BACKLOG
AS OF JULY 2000

OPERATOR	FIRM ORDERS	OPTIONS	TOTAL
ALASKA AIRLINES	10	10	20
KOREAN AIR	16	3	19
CONTINENTAL AIRLINES	15		15
KLM ROYAL DUTCH AIRLINES	4		4
GRAND TOTAL	45	13	58

Source: BACK Information Services

OUTLOOK AND FUTURE ASSET RISK ANALYSIS

The competing aircraft types are the nine feet smaller 737-800, which was introduced into service in 1997, and the A321-100/-200 aircraft, which was introduced into service in 1993. Both these aircraft have significant backlogs with 373 firm orders for the 737-800 and 170 for the A321s. It seems is unlikely that the -900 will capture as many orders as the successful -700 and -800, which both have significant fleets in service and large backlogs among a broad range of operators and airlines.

Another indirect competitor is the larger 757-200 which seats 194 passenger in a 2-class configuration and has been in airline service since 1982. The type is still in production holds a backlog of 86 firm orders and 49 options.

Unless the backlog for the 737-900 increases considerably, the aircraft may become a niche aircraft like the 737-600.

CURRENT MARKET - BOEING 767-200/-200ER

CURRENT MARKET

AVITAS is of the opinion that the current market for the Boeing 767-200 is somewhat soft with values for the oldest models at levels low enough to justify freighter conversions. Airborne Express has contracted to acquire 23 units and Emery Worldwide Airlines is evaluating the type together with the A300 and the DC-10 to gradually replace its DC-8 fleet. The carrier has been in discussions with Boeing about becoming the launch customer of the 767-200 freighter conversion program and is expected to make a decision soon.

Though the preference for 767-200 aircraft is focused on the -ER variant with 6,500 nautical mile range, the most significant level of demand is for the 767-300ER aircraft, which has a seating capacity of 45 more passengers than the - -200 but 500 nautical miles less range.

RECENT FLEET DEVELOPMENTS

In November 1998, Continental Airlines announced a firm order for ten 767-200ERs which will replace some of the carrier's 747s and DC-10s. The new aircraft, which will be delivered from 2000 through 2005, are intended to be flown on international markets in South America and Europe.

CURRENT OPERATOR BASE AND BACKLOG

As of July 2000, there were 217 767-200/-200ER aircraft in service. Continental Airlines holds ten firm orders for the 767-200ER which are scheduled for delivery over the next four years. Presented below is the current fleet distribution for the 767 (all variants).

FIGURE 5

BOEING 767 CURRENT FLEET AND BACKLOG
AS OF JULY 2000

MODEL	IN SERVICE	FIRM ORDERS	OPTIONS	TOTAL
767-200	122			122
767-200ER	95	10		105
767-300	136	1	3	140
767-300ER	421	40	14	475
767-400ER	9	42	24	75
GRAND TOTAL	783	93	41	917

Source: BACK Information Services

The 767-200 and -200ER compete with the A310-200 and -300, of which there are currently 228 in service (including ten in storage). No orders have been placed for the type, with the exception of the order placed by Continental Airlines, in the last couple of years and an order for five aircraft for Iraqi Airways still listed as outstanding is now believed to have lapsed.

OUTLOOK AND FUTURE ASSET RISK ANALYSIS

With the launch of the 757-300 and the 767-400ER and despite the recent Continental Airlines order for ten aircraft, we do not expect any further sales of the 767-200ER to commercial operators. Prior to the Continental Airlines order, the last commercial 767-200ER was delivered in July 1993.

As the All Nippon Airways - Airborne Express transaction shows, values of older vintage 767-200s have decreased to a level where freighter conversions have become economically and operationally feasible. We expect residual values for older aircraft to remain stable as they are being converted to freighters.

CURRENT MARKET - BOEING 767-400ER

CURRENT MARKET

AVITAS believes that the Boeing 767-400ER market is stable. The aircraft was launched by Delta Airlines in 1997 and the first entered service in August 2000. The carrier is replacing its 48 L1011s with the type over the next couple of years. The 767-400ER is a 21-foot stretch of the 767-300ER of which there are 421 aircraft in service and 40 firm orders and 14 options.

CURRENT OPERATOR BASE AND BACKLOG

As of July 2000, there was a backlog of 75 767-400ERs among three airlines and one leasing company. The GE CF6-80C2B7 engines will power all aircraft currently on order. Pratt & Whitney engines are also available however, no orders have been placed.

Figure 6

BOEING 767-400ER
AS OF JULY 2000

OPERATOR/ORDERHOLDER	IN SERVICE	FIRM ORDERS	OPTIONS	TOTAL
DELTA AIR LINES		14	24	38
CONTINENTAL AIRLINES		24		24
BOEING	9			9
KENYA AIRWAYS		3		3
GE CAPITAL AVIATION SERVICES INC.		1		1
GRAND TOTAL	9	42	24	75

Source: Back Information Services

OUTLOOK AND FUTURE ASSET RISK ANALYSIS

The Boeing 767-400ER competes with the A330-200, which has greater range and is also heavier than the 767-400ER. However, the 767-400ER has a lower fuel burn than the A330-200. In a search for a 200-seater, Airbus is considering a further shrink of the A330, tentatively designated the A330-100. The aircraft would have the same range capability but a lower MTOW than the A330-200.

The -400ER is an incremental product to the 767-300ER, which has been a successful product with airlines and leasing companies. It was designed to replace older L1011s, DC-10-30s and A300s. The future values should be stable despite the intense competition with the Airbus products.

COVENANTS

Unless otherwise noted, the values presented in this report assume an arm's-length, free market transaction for cash between informed, willing and able parties free of any duress to complete the transaction. If a distress sale becomes necessary, a substantial discount may be required to quickly dispose of the equipment.

AVITAS does not have, and does not intend to have, any financial or other interest in the subject aircraft. Further, this report is prepared for the exclusive use of the Client and shall not be provided to other parties without the express consent of the Client.

This report represents the opinion of AVITAS and is intended to be advisory only in nature. Therefore, AVITAS assumes no responsibility or legal liability for any action taken, or not taken, by the Client or any other party, with regard to this equipment. By accepting this report, all parties agree that AVITAS shall bear no such responsibility or legal liability including liability for special or consequential damage.

STATEMENT OF INDEPENDENCE

AVITAS hereby states that this valuation report has been independently prepared and fairly represents AVITAS's opinion of the subject aircraft's value.

/s/ Susanna Blackman
Susanna Blackman
Manager - Appraisal Operations

MORTEN BEYER & AGNEW

AVIATION CONSULTING FIRM

APPRAISAL OF 32 AIRCRAFT
(2000-2 EETC)

PREPARED FOR:

Continental Airlines, Inc.

OCTOBER 31, 2000

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[MBA Logo]

I. INTRODUCTION AND EXECUTIVE SUMMARY

MORTEN BEYER AND AGNEW (MBA) has been retained by Continental Airlines, Inc. to determine the Current Base Value (CBV) of 32 Boeing aircraft to be delivered new over the next fourteen months. The aircraft are further identified in Section II of this report.

MBA uses the definition of certain terms, such as CMV and Base Value (BV), as promulgated by the International Society of Transport Aircraft Trading (ISTAT), a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, appraisers, brokers, and others who have a vested interest in the commercial aviation industry.

ISTAT defines Market Value (MV) as the appraiser's opinion of the most likely trading price that may be generated for an aircraft under market conditions that are perceived to exist at the time in question. MV assumes that the aircraft is valued for its highest, best use; that the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable and under no unusual pressure for a prompt sale; and that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

The ISTAT definition of Base Value (BV) has, essentially, the same elements of MV except that the market circumstances are assumed to be in a reasonable state of equilibrium. Thus, BV pertains to an idealized aircraft and market combination, but will not necessarily reflect the actual MV of the aircraft in question. BV is founded in the historical trend of values and is generally used to analyze historical values or to project future values. The Current Base Value is the BV at the time of this opinion, effective upon the defined delivery dates of the subject aircraft assets.

[MBA Logo]

II. CURRENT MARKET CONDITIONS

[GRAPHIC OF AIRPLANE] BOEING 737-800/900 SERIES

	737-800	737-900
NUMBER OF OPERATORS:	41	5
AIRCRAFT ORDERED:	744	46
AIRCRAFT DELIVERED	316	0

Boeing began replacing the trio of B-737-300/-400/-500s with upgraded new generation versions beginning with the B-737-700 in 1997. Southwest Airlines' order for 63 of the series officially launched the program in late 1993, and with their most recent order of 94 with options for another 196 have secured the future of the program.

The fuselage of the new aircraft mirror that of the old (which were out-growths of the original -100s and -200s). Upgraded avionics, a new wing design, and other improvements combine to increase range, efficiency, and performance in general. The CFM56-7 is the exclusive engine for the 3rd generation.

Prospects for the 3rd generation 737 jets were thought to be considerably enhanced by the discontinuation of the MD-80/-90 series. The MD-95 has been adopted by Boeing as its 100 seat competitor under the aegis of B-717, competing with its own Boeing 737-600. On the other hand, Airbus is becoming more aggressive with its A319/320/321 high tech series and winning an increasing share of orders.

The new generation aircraft are actually starting to compete with their older and larger sibling the Boeing 757. Airlines such as Aloha and Southwest are finding the flexibility and the range offered by the 737-700 to fit very well with their respective trans-pacific and trans-continental routes. Delta has replaced their 757's with 737-800 aircraft on their routes to Central America. While these aircraft are providing improved economics, their success will only be told by passenger preferences and tolerances for smaller cabins over longer journeys.

As the industry passed the peak of the current cycle, in 1998, the prospects for a downturn increase, together with deferrals and cancellations of orders for both manufacturers. Although

Boeing has recently stated that the future market will consist of more narrow-bodied aircraft like the 737 and 757 series.

[GRAPHIC OF AIRPLANE] BOEING 767-200ER

NUMBER OF OPERATORS:	27
AIRCRAFT ORDERED:	107
AIRCRAFT DELIVERED	97

The twin-aisle semi-widebody B-767 was launched in 1978 and entered service in 1982. The aircraft has undergone significant development in terms of gross weight and capacity, affecting payload and range. The initial model, the B-767-200, offered a MTOGW of 280,000 pounds, while the current 767-300ER is certified at 412,000 pounds. Early development extended the range of the -200 as the ER model, enabling it to fly the Atlantic nonstop. Initial routings were circuitous, since the aircraft had to stay within 90 minutes of a landing place. But as experience was gained, the FAA and international authorities approved ETOPS (extended range twin-engine over water operations), and more direct routes became possible. The first production models of the larger 767-300 were delivered in 1986 in domestic configuration, soon to be followed by successively higher gross weight Extended Range (ER) models.

Orders for the -200 slowed to a trickle following the introduction of the -300, and it is probable that production of this model will be discontinued in the near future, despite Continental's recent order. Much of the success of the B-767 series of aircraft is attributable to ETOPS operations, where these aircraft (and the A310) have replaced B-747s, DC-10s and L-1011s on many long flights. So far there have been no untoward incidents under the ETOPS programs. The 767 family has an exemplary overall safety record, with only three flight accidents-one attributed to inadvertent thrust reverser deployment on a Lauda Air 767-300 over Bangkok, one Ethiopian -200 lost in a hijacking incident in the Comoro Islands in 1996, and the third was the recent Egypt Air accident off the coast of Nantucket.

As of recent the 767-200ER is slated for a small interior facelift. Revamped for orders by Continental, the new 767-200ER has a brand new cockpit, upgraded avionics and an interior that reflects the newer design of the 400ER. The 200ER also has upgraded engines and an increased MGTOW to 395,000 pounds. Continental argues that the 200ER fits the growth to secondary European markets, which might be too thin for a 767-400ER or 777.

ECONOMICS

The MBA Model indicates that it is hard to make money with the B-767-200. Satisfactory margins are achieved only by classifying the B-767-200 as a narrowbody in terms of seating capacity. By definition, MBA has assumed that only 67.5 percent of maximum certified seating is installed in a widebody, compared to 85 percent in a narrowbody. This is in accord with industry experience.

In the long term, the relatively high seat mile costs of the B-767-200 will make them less desirable in the used market, and the demand for and price of these aircraft will decline further than that of more desirable types. Their residual values will also be impaired and they will move into the cargo market.

[GRAPHIC OF AIRPLANE] BOEING 767-400ER

Number of Operators:	2
Aircraft Ordered:	59
Aircraft Delivered	2
Backlog	47

Boeing tried to interest Delta in buying more B-777s, but the aircraft was just too much for the Atlanta airline who was already suffering indigestion on its MD-11s. Delta is a big B-767 series operator with 94 in service and 24 on order. Boeing obligingly agreed to stretch the B-767-300ER to the -400ER configuration, increasing gross weight from 412,000 pounds to 450,000 and seating up to 375, only 65 below the B-777 and about the same as its 40-odd remaining L-1011s which it is retiring. Delta and Continental are the only airlines with B-767-400ER so far, totaling 47. Kenya Airways also has a current order for three aircraft.

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)
	B737-800, CFM56-7B26, 174,200(lb) MTOW		
MAY-01	30803	N73259	43.91
JUN-01	30855	N35260	44.00
JUL-01	31582	N77261	44.09
	32402	N33262	44.09
AUG-01	31583	N37263	44.17
	31584	N33264	44.17
	31585	N76265	44.17
	32403	N33266	44.17
SEP-01	31586	N37267	44.26
	31587	N38268	44.26
OCT-01	31588	N76269	44.35
	31632	N73270	44.35
NOV-01	31589	N36272	44.44
	31590	N37273	44.44

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)
	B737-900, CFM56-7B26, 174,200(lb) MTOW		
MAY-01	30118	N30401	46.21
JUN-01	30119	N79402	46.31
JUL-01	30120	N38403	46.40
	30121	N32404	46.40
AUG-01	30122	N72405	46.50
SEP-01	TBD	N73406	46.59
	TBD	N35407	46.59
OCT-01	TBD	N37408	46.69
NOV-01	TBD	N37409	46.78
DEC-01	TBD	N75410	46.88

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)

FEB-01	30434	N68155	77.02
MAR-01	30435	N76156	77.18
APR-01	30436	N67157	77.34
MAY-01	30437	N67158	77.50
JUL-01	30438	N68159	77.81
OCT-01	30439	N68160	78.29

SCHEDULED MANUFACTURER'S DELIVERY DATE	AIRCRAFT SERIAL NUMBER	CONTINENTAL TAIL NUMBER	ADJ. BASE VALUE ($000,000)
B767-400ER, CF6-8OC2B8F Engines, 450,000(lb) MTOW			
MAR-01	29450	N76055	98.81
JUN -01	29451	N66056	99.43

In developing the CBV of these aircraft, MBA used certain assumptions that are generally accepted industry practice to calculate the value of an aircraft when more detailed information is not available and when aircraft are anticipated for future delivery. The principal assumptions are as follows (for each aircraft):

1. The aircraft is to be delivered new.

2. The overhaul status of the airframe, engines, landing gear and other major components are the equivalent of new delivery otherwise specified.

3. The specifications of the aircraft are those most common for an aircraft of this type new delivery.

4. The aircraft is in a standard airline configuration.

5. No accounting is made for lease obligations or terms of ownership.

IV. COVENANTS

This report has been prepared for the exclusive use of Continental Airlines/ Credit Suisse First Boston and shall not be provided to other parties by MBA without the express consent of Continental Airlines/Credit Suisse First Boston.

MBA certifies that this report has been independently prepared and that it fully and accurately reflects MBA's opinion as to the Current Base Value. MBA further certifies that it does not have, and does not expect to have, any financial or other interest in the subject or similar aircraft.

This report represents the opinion of MBA as to the Current Base Value of the subject aircraft and is intended to be advisory only, in nature. Therefore, MBA assumes no responsibility or legal liability for any actions taken, or not taken, by Continental Airlines/Credit Suisse First Boston or any other party with regard to the subject aircraft. By accepting this report, all parties agree that MBA shall bear no such responsibility or legal liability.

PREPARED BY:

/s/ Bryson P. Monteleone

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DIRECTOR OF OPERATIONS

REVIEWED BY:

October 31, 2000
Ref #00280

/s/ Morten S. Beyer

MORTEN S. BEYER, APPRAISER FELLOW
CHAIRMAN & CEO
ISTAT CERTIFIED SENIOR APPRAISER