

CONTINENTAL AIRLINES INC /DE/
Form FWP
September 19, 2012

2012-2 EETC Investor
Presentation
Continental Airlines, Inc.
September 19, 2012
Issuer Free Writing Prospectus
Filed pursuant to Rule 433(d)
Registration No. 333-181014-01
September 19, 2012

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter, or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Credit Suisse toll-free at 1-800-221-1037 or Morgan Stanley toll-free at 1-866-718-1649.

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Continental Airlines 2012-2 EETC

- Continental Airlines, Inc. (“Continental”) is offering \$843,888,000 of Pass Through Certificates, Series 2012-2 in two classes:
 - Class A of \$711,622,000
 - Class B of \$132,266,000
- The proceeds from the offering will be used by Continental to finance 21 aircraft:
 - Finance the purchase of 18 new Boeing 737-900ER aircraft scheduled for delivery between November 2012 and July 2013
 - Finance the purchase of 3 new Boeing 787-8 aircraft scheduled for delivery between December 2012 and July 2013(1)
 - Joint Bookrunners: Credit Suisse and Morgan Stanley
 - Joint Structuring Agents: Credit Suisse and Morgan Stanley

Notes:

1. Continental will have the right to select 3 out of 4 eligible Boeing 787-8 aircraft to be part of the collateral pool for this transaction. Assumes that the first 21 new aircraft in chronological order of delivery are selected by Continental for this transaction, otherwise the delivery period will extend to September 2013
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CAL 2012-2 EETC Structural Summary

Principal Amount

Expected Ratings (M/S/F)

Initial LTV(1)

Interest Rate

Initial Average Life (in years)

Regular Distribution Dates

Principal Distribution Window (in years)

Final Expected Distribution Date

Final Maturity Date

Section 1110 Protection

Liquidity Facility

Depository

Class A Class B

\$711,622,000 \$132,266,000

Baa2 / A- / A Ba2 / BBB- / BBB-

55.0% 65.2%

Fixed, semi-annual, 30/360 day count

9.2 6.0

April 29 and October 29

1.6 - 12.1 1.6 - 8.1

October 29, 2024 October 29, 2020

April 29, 2026 April 29, 2022

Yes Yes

3 semi-annual 3 semi-annual

interest payments interest payments

Funds raised will be held in escrow with the Depository

Institution and withdrawn from time to time to purchase

Equipment Notes as the aircraft are financed

Notes:

1. Initial LTV is calculated as of October 29, 2013, the first Regular Distribution Date after all aircraft are expected to have been financed

Key Structural Elements

- Classes Offered: Two tranches of amortizing debt offered, both of which will benefit from a liquidity facility covering three semi-annual interest payments
 - Waterfall: Interest on the Preferred Pool Balance on the Class B Certificates is paid ahead of Class A Certificates' principal (same as CAL 2012-1)
 - Buy Out Rights: Class B Certificateholders have the right to purchase all (but not less than all) of then outstanding more senior classes of certificates at par plus accrued and unpaid interest upon certain events during a Continental bankruptcy
 - Cross-Default: Yes, from day one
 - Cross-Collateralization: Yes, from day one
 - Collateral: Strategically core aircraft types to Continental's fleet operations, all of which are new deliveries. Continental will finance 18 new Boeing 737-900ER aircraft and will choose 3 of 4 eligible Boeing 787-8 aircraft to be included in the transaction as well
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Collateral Summary

Notes:

1. 21 aircraft will be financed from the proceeds of this offering; 3 new B787-8 aircraft and 18 new B737-900ER aircraft will be selected from a list of 22 aircraft scheduled for delivery in 2012 and 2013. Value assumes that the first 21 new aircraft in chronological order of delivery are selected by Continental for the transaction
 2. Appraised value is the lesser of the average and median Base Values of each aircraft as appraised by AISI, BK Associates and Morten Beyer & Agnew. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value
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Collateral Pool

- The collateral pool benefits from diversification of two strategically core aircraft types

– 72% Narrowbody / 28% Widebody Mix

– 100% New

CAL 2012-2 Collateral Mix

Distribution of Appraised Value

Vintage: 0%

New: 100%

737-900ER

\$946.75MM

787-8

\$375.97MM

Widebodies: 28%

Narrowbodies: 72%

Total: \$1,322.72MM

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Aircraft Appraisals

- Continental has obtained Base Value Desktop Appraisals from three appraisers (AISI, BK Associates and Morten Beyer & Agnew)
 - Aggregate aircraft appraised value of \$1,323 million(1)
 - Appraisals available in the Preliminary Prospectus Supplement
- Appraisals indicate an initial collateral cushion of 45.0% and 34.8% on the Class A and B respectively(2), which increases over time as the debt amortizes

Notes:

1. Appraised value is the lesser of the average and median Base Values of each aircraft as appraised by three appraisers. An appraisal is only an estimate of value and should not be relied upon as a measure of realizable value. Assumes that the first 21 new aircraft in chronological order of delivery are selected by Continental for this transaction
 2. Initial collateral cushion is calculated as of October 29, 2013, the first Regular Distribution Date after all aircraft are expected to have been financed
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Collateral Overview

Boeing 737-900ER

- Overview: The 737-900ER is the largest variant of world's all-time best selling 737NG family of narrowbody commercial aircraft
 - Strengths(1):
 - Very similar build and configuration to the 737-800, but longer fuselage accommodates 13 additional passengers with transcontinental capability in Continental's standard two-class configuration
 - Introduced in 2007, the 737-900ER is the newest member of the 737NG family with up to 128 commercial aircraft in service and 371 on order
 - Lowest operating unit cost per seat among in-production narrowbodies
 - Importance to Continental:
 - Allows Continental to increase available capacity in higher demand domestic markets with a marginal increase in incremental trip cost
 - Continental also views the aircraft as an attractive alternative for domestic 757-200 aircraft
 - 1. Sources: The Boeing Company, Morten Beyer & Agnew, Continental Airlines
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(22)
(14)
(102)
(10)
(3)
(2)
(7)
(6)
(15)
(100)
(6)
(43)
(62)
(2)
(6)
(4)
(4)
(2)
(5)

128 deliveries to 8 customers

Notes:

1. Net orders are defined as gross orders minus cancellations by customers inclusive of aircraft deliveries, through July 31, 2012. Deliveries are through July 31, 2012
Net orders from customers
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Collateral Overview

Boeing 787-8 “Dreamliner”

- Overview: New generation long range aircraft with size similar to current 767s in fleet - 219 passengers in Continental’s standard two-class configuration (36 business / 183 premium and regular economy)
 - Strengths(1):
 - Over 46 airlines and leasing companies have ordered 520 aircraft as of July 31, 2012
 - Intercontinental range to serve destinations not accessible with 767 aircraft (e.g. Denver to Narita)
 - Superior economic performance anticipated
 - o Up to 20% lower fuel consumption than equivalent sized aircraft
 - o 15-25% lower operating costs
 - o Up to 30% lower airframe maintenance costs and longer intervals between maintenance checks
 - o 20% weight savings due to an airframe comprised of nearly 50% carbon fiber
 - Importance to Continental:
 - Provides Continental with a cost efficient, long range, medium density route aircraft
 - An attractive replacement on 767 routes and certain 777 markets
 - 1. Sources: The Boeing Company, Morten Beyer & Agnew, Continental Airlines

