
Hughes Hubbard & Reed

Firm Advises United Airlines on \$325M Convertible Loans to Avianca Holdings

News & Events | Deals & Matters

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. Readers are advised that prior results do not guarantee a similar outcome. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. For information regarding the selection process of awards, please visit <https://www.hugheshubbard.com/legal-notice-methodologies>.

January 17, 2020 — The firm advised United Airlines in a \$325 million secured convertible financing for Avianca Holdings S.A., the holding company of Latin American carriers Aerovías del Continente Americano S.A. -- Avianca and Taca S.A., and of various other businesses. The loans are convertible into equity in Avianca Holdings.

The convertible financing, led by United and an affiliate of Kingsland Holdings Limited, closed in a series of fundings between December 2019 and January 2020. The loans mature in four years with a 3 percent payment-in-kind (PIK) annual interest rate.

The financing is part of the "Avianca 2021 Plan," a comprehensive liquidity program designed to improve operational efficiency and strengthen the company's financial position. The program involved reprofiling debt, lease and other obligations with more than 125 creditors and suppliers, as well as the exchange of \$550 million of 8.375 percent notes due 2020 for 9 percent senior secured notes due 2023, which was conditioned on the successful closing of the convertible loans.

As part of its representation, the firm helped United navigate various aspects of Avianca Holdings' debt reprofiling, and assisted in various ancillary transactions related to the reprofiling and to the convertible financing.

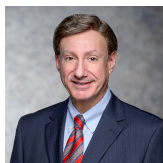
United Senior Vice President - Alliances John Gebo said in a statement, "United Airlines, along with Kingsland, is very pleased to provide this permanent capital financing that enables Avianca to complete a highly successful reprofiling of its capital structure, the exchange of its 2020 bonds, and the securing of commitments for additional financing which, taken together, underpin and support the Avianca 2021 Plan."

Mark Denham, Steve Greene and Emilio Saiz led the team, which also included Nathalie Rey, Ernesto Fuentes Garcia, Arthur Souza Rodrigues, Ashley Hamilton, Andrew Fowler, M. Shams Billah, Andy Braiterman, Jim Delaney, Alan Kravitz and Justin Cohen.

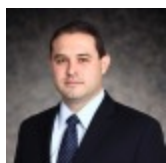
Related People



S. Mark Denham



Steven J. Greene



Emilio Saiz

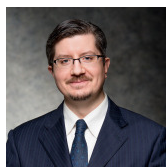


Nathalie Rey

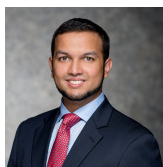
Arthur Souza Rodrigues



Ashley D. Hamilton



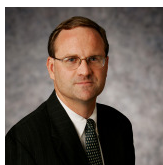
Andrew F. Fowler



M. Shams Billah



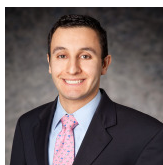
Andrew H. Braiterman



James F. Delaney



Alan Kravitz



Justin S. Cohen

Related Areas of Focus

Corporate

Banking & Financial Services

Latin America