
Hughes Hubbard & Reed

Firm Guides United Airlines in \$10.75B Debt Financing, the Largest Ever

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May 24, 2021 – HHR represented United Airlines, Inc. in a \$10.75 billion senior secured debt financing, which closed on April 21, 2021. This is the largest debt financing by an airline in history.

The financing included a \$4 billion private offering of bonds, split evenly into two series of senior secured notes. One series featured 4.375 percent notes due in 2026 and the other 4.625 percent notes due in 2029.

United also entered into a \$5 billion senior secured term loan facility due 2028 and a \$1.75 billion senior secured revolving credit facility due 2025. JPMorgan Chase acted as administrative agent for both facilities.

The new bonds, term loans and revolving loans are secured on a pari passu basis by all of United's international route authorities, substantially all of United's landing and take-off slots at domestic and foreign airports, and United's right to use space at airport terminals for international air service.

United used proceeds of the financing to repay a \$520 million loan borrowed under a CARES Act facility, a \$1.4 billion term loan and a \$1 billion revolving credit facility. United plans to use the remaining proceeds for general corporate purposes.

HHR advised United last fall on its CARES Act loan, which provided for loans of up to nearly \$7.5 billion under the U.S. Department of the Treasury's airline loan program designed to provide relief for U.S. passenger air carriers affected by the COVID-19 pandemic. The CARES Act facility was terminated in connection with the \$10.75 billion financing.

United Airlines is a major commercial air carrier headquartered in Chicago. United operates a wide range of flights within the U.S. and around the world, including North and South America, Asia, Europe and the Middle East.

Mark Denham and John Hoyns led the HHR team, which also included Emilio Saiz, Jenny Graham, Nathalie Rey, Arthur Souza Rodrigues, David Cohen and Ashley Hamilton.

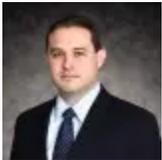
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