
Hughes Hubbard & Reed

Hughes Hubbard Clears Runway for Frontier Sale to Indigo

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Hughes Hubbard & Reed represented Republic Airways in its deal to sell Denver-based Frontier Airlines to an affiliate of private equity firm Indigo Partners.

The deal was announced on Oct. 1, 2013 and, assuming satisfaction of the closing conditions, Republic expects to close in December.

Under the terms of the stock purchase agreement, the buyer will acquire all of the outstanding shares of Frontier Airlines Holdings Inc. in a transaction valued at approximately \$145 million, of which \$36 million (subject to certain adjustments under the purchase agreement) is to be paid in cash for the equity of Frontier and the balance is indebtedness that will be retained by Frontier.

As part of the transaction, under a separate agreement, Republic will assign to Frontier all of Republic's rights under agreements relating to Republic's Airbus A320neo order for additional cash consideration.

"This transaction is a direct result of Frontier's successful restructuring, continued cost reduction efforts and laser focus on revenue generation," Republic Airways Chairman, President and Chief Executive Bryan Bedford said. "I am confident that Frontier will enjoy future growth as Indigo continues the process to position the airline as a leading ultra-low-cost carrier in the United States."

Frontier employs more than 3,900 aviation professionals and offers service to more than 75 destinations in the US, Mexico, Costa Rica, Jamaica and the Dominican Republic.

The deal commanded headlines in The Wall Street Journal, the Los Angeles Times, USA Today, Bloomberg and other news outlets.

Ellen Friedenberg led the Hughes Hubbard team, which included Ken Lefkowitz, John Hoyns, Andy

Braiterman, Spencer Harrison, Chuck Samuelson, Susan Campbell, Brian McEvoy, Matt Syrkin and Justin Greenbaum.

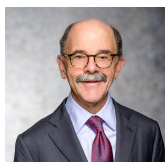
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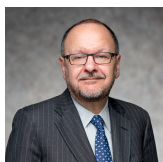
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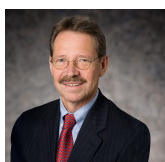
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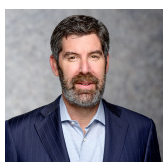
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