
Hughes Hubbard & Reed

Firm Lands \$1.9 Billion Loan for Continental, United

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Hughes Hubbard represented Continental Airlines Inc. and United Airlines Inc. as co-borrowers under a \$1.9 billion credit and guaranty agreement. The transaction closed on March 27, 2013.

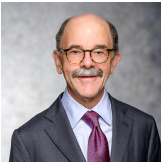
The agreement provides for a \$900 million term loan facility and a \$1 billion revolving loan and letter of credit facility. United used the proceeds to prepay existing indebtedness. The term loans are due on April 1, 2019. The revolving credit facility allows either co-borrower from time to time prior to April 1, 2018 to borrow, repay and re-borrow loans and have letters of credit issued in an aggregate amount outstanding at any time of up to \$1 billion. Any borrowings under the revolving credit facility are due and payable on April 1, 2018.

The obligations of the co-borrowers under the facilities are secured by liens on certain route authorities of United and Continental to operate between select cities in the United States on the one hand and Beijing, Shanghai, China, Hong Kong and London on the other hand. They are also secured by liens on take-off and landing rights of United and Continental at Newark Liberty International, LaGuardia and Ronald Reagan Washington National airports and certain related assets. The same collateral also secures on a junior lien basis certain obligations of United, Continental and their parent, United Continental Holdings Inc., under a co-branded card marketing services agreement.

The joint lead arrangers for the transaction included Citigroup Global Capital Markets Inc., Credit Agricole Corporate and Investment Bank, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs Bank USA, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley Senior Funding Inc.

John Hoyns, Andy Braiterman, Scott Christensen, Michael DeBernardis, Robyn Morris and Christine Lamsvelt worked on the deal.

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