

HAWAIIAN HOLDINGS INC

Form 10-Q

November 07, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-31443

HAWAIIAN HOLDINGS, INC.

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(Exact Name of Registrant as Specified in Its Charter)

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Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

71-0879698
(I.R.S. Employer
Identification No.)

3375 Koapaka Street, Suite G-350
Honolulu, HI
(Address of Principal Executive Offices)

96819
(Zip Code)

(808) 835-3700

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal
Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and larger accelerated filer in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 22, 2007, 47,241,100 shares of the registrant's common stock were outstanding.

Hawaiian Holdings, Inc.

Form 10-Q

Quarterly Period ended September 30, 2007

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Hawaiian Holdings, Inc.

Consolidated Statements of Operations (in thousands, except per share data) (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Operating Revenue:				
Passenger	\$ 247,728	\$ 208,660	\$ 662,443	\$ 600,405
Cargo	8,111	7,884	22,555	23,802
Charter	2,607	2,512	7,223	6,737
Other	14,061	12,778	39,649	37,472
Total	272,507	231,834	731,870	668,416
Operating Expenses:				
Aircraft fuel, including taxes and oil	76,821	65,096	204,279	181,274
Wages and benefits	53,585	52,243	171,528	166,469
Aircraft rent	24,629	27,268	73,208	81,790
Maintenance materials and repairs	21,122	17,130	69,420	52,164
Aircraft and passenger servicing	13,172	12,163	41,109	35,920
Commissions and other selling	14,056	11,184	42,436	36,390
Depreciation and amortization	11,958	7,156	33,353	20,881
Other rentals and landing fees	7,521	6,393	21,324	18,458
Other	24,091	20,505	66,390	57,952
Total	246,955	219,138	723,047	651,298
Operating Income	25,552	12,696	8,823	17,118
Nonoperating Income (Expense):				
Interest and amortization of debt discounts and issuance costs	(6,397)	(3,886)	(19,353)	(12,354)
Losses due to redemption, extinguishment and modification of long-term debt		(1,030)		(32,134)
Interest income	2,729	3,518	7,924	8,984
Capitalized interest		1,344	1,309	2,603
Other, net	(64)	683	(1,875)	(5,069)
Total	(3,732)	629	(11,995)	(37,970)
Income (Loss) Before Income Taxes	21,820	13,325	(3,172)	(20,852)
Income tax expense (benefit)	2,243	5,565	(6,916)	10,065
Net Income (Loss)	\$ 19,577	\$ 7,760	\$ 3,744	\$ (30,917)
Net Income (Loss) Per Common Stock Share:				
Basic	\$ 0.41	\$ 0.16	\$ 0.08	\$ (0.66)
Diluted	\$ 0.41	\$ 0.16	\$ 0.08	\$ (0.66)

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**Weighted Average Number of
Common Stock Shares Outstanding:**

Basic	47,203	47,171	47,190	47,141
Diluted	47,305	47,251	47,362	47,141

See accompanying Notes to Consolidated Financial Statements.

Hawaiian Holdings, Inc.

Consolidated Balance Sheets (in thousands, except share data)

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	September 30, 2007 (unaudited)	December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 110,415	\$ 66,852
Restricted cash	47,823	53,719
Short-term investments	57,017	47,630
Total cash, restricted cash and short-term investments	215,255	168,201
Accounts receivable, net of allowance for doubtful accounts of \$577 and \$498 as of September 30, 2007 and December 31, 2006, respectively	42,761	39,304
Spare parts and supplies, net	13,346	15,462
Deferred tax assets	20,610	17,609
Prepaid expenses and other	22,924	19,120
Total	314,896	259,696
Property and equipment, less accumulated depreciation and amortization of \$36,623 and \$17,167 as of September 30, 2007 and December 31, 2006, respectively		
	275,492	272,614
Other Assets:		
Long-term prepayments and other	38,710	31,454
Intangible assets, net of accumulated amortization of \$54,699 and \$37,110 as of September 30, 2007 and December 31, 2006, respectively	144,972	162,560
Goodwill	103,748	93,629
Total Assets	\$ 877,818	\$ 819,953
LIABILITIES AND SHAREHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 44,892	\$ 51,918
Air traffic liability	242,709	180,539
Other accrued liabilities	38,987	38,402
Current maturities of long-term debt and capital lease obligations	23,659	22,992
Total	350,247	293,851
Long-Term Debt and Capital Lease Obligations	221,641	238,381
Other Liabilities and Deferred Credits:		
Accumulated pension and other postretirement benefit obligations	130,515	127,280
Other liabilities and deferred credits	61,491	59,195
Deferred tax liabilities	20,610	17,609
Total	212,616	204,084
Commitments and Contingencies		
Shareholders Equity:		
Special preferred stock, three shares outstanding as of September 30, 2007 and December 31, 2006		
Common stock, 47,221,100 shares and 46,583,914 shares outstanding as of September 30, 2007 and December 31, 2006, respectively	472	466
Capital in excess of par value	212,631	210,892
Accumulated deficit	(180,524)	(184,268)
Accumulated other comprehensive income (loss):		
Funded status of pension and postretirement benefits	58,465	56,743
Unrealized gain (loss) on hedge instruments and short-term investments		