

HAWAIIAN HOLDINGS INC
Form S-1
November 07, 2005

As filed with the Securities and Exchange Commission on November 7, 2005

Registration Statement No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HAWAIIAN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

4512
(Primary Standard Industrial
Classification Code Number)

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

3375 Koapaka Street, Suite G-350
Honolulu, HI 96819
(808) 835-3700

(Address, including ZIP Code, and telephone number, including area code, of registrant's principal executive offices)

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Mark B. Dunkerley
Chief Executive Officer
Hawaiian Holdings, Inc.
3375 Koapaka Street, Suite G-350
Honolulu, HI 96819
(808) 835-3700

(Name, address, including ZIP Code, and telephone number, including area code, of agent for service)

Copies to:

David Z. Arakawa
Secretary
Hawaiian Holdings, Inc.
3375 Koapaka Street, Suite G-350
Honolulu, HI 96819
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Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, par value \$0.01 per share	19,444,170	\$ 2.69	\$ 52,304,817.30	\$ 6,156.28

(1) Estimated in accordance with Rule 457(c) under the Securities Act of 1933 for the purpose of calculating the registration fee based on the average of the high and low prices of the common stock of Hawaiian Holdings, Inc. as reported on the American Stock Exchange on November 1, 2005.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 7, 2005

PRELIMINARY PROSPECTUS

19,444,170 Shares

Hawaiian Holdings, Inc.

Common Stock

This prospectus relates to the resale of up to 19,444,170 shares of our common stock by the selling stockholders listed in this prospectus under the section Selling Stockholders. These shares include: (i) 10,000,000 shares of common stock currently owned directly by RC Aviation, LLC, a principal stockholder of our company, (ii) 2,159,403 shares of common stock owned directly by AIP, LLC, a former controlling stockholder of our company, (iii) 6,283,705 shares of common stock currently issuable upon exercise of a warrant held by RC Aviation, LLC, (iv) 650,000 shares of common stock issued to three institutional investors in December 2004, and (v) 351,062 shares of common stock issued to Donald J. Carty, one of our directors, in July 2004. As described in this prospectus under the heading Plan of Distribution, RC Aviation, LLC intends to distribute to its members, as soon as practicable following the effective date of the registration statement of which this prospectus is a part, the aforementioned shares of common stock and warrant.

The prices at which the selling stockholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions. We will not receive any of the proceeds from the sale of the shares by the selling stockholders.

Our common stock is quoted on the American Stock Exchange (Ticker: HA) and the Pacific Exchange (Ticker: HA). On November 1, 2005, the last reported sale price of our common stock was \$2.65 per share.

THE SHARES OFFERED IN THIS PROSPECTUS INVOLVE A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS COMMENCING ON PAGE 7 IN DETERMINING WHETHER TO PURCHASE THE SHARES.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY

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REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is _____, 2005

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PROSPECTUS SUMMARY

The following summary highlights selected information contained elsewhere in this prospectus. It does not contain all the information that may be important to you. You should read this entire prospectus carefully, particularly the Risk Factors section and the financial statements and related notes to those financial statements contained in this prospectus. Reference to the term Holdings refers only to Hawaiian Holdings, Inc., and reference to the term Hawaiian refers only to Hawaiian Airlines, Inc., Holdings sole operating subsidiary. Unless the context otherwise requires, references in this prospectus to the terms Company, we, our, and us refer to: (i) Hawaiian only, with respect to periods prior to August 29, 2002 (the date of the corporate restructuring that resulted in the creation of Holdings as the holding company for Hawaiian); (ii) Holdings and its subsidiaries, including Hawaiian, with respect to the period from August 29, 2002 through and including March 31, 2003 (the date that Holdings deconsolidated Hawaiian for accounting purposes); (iii) Holdings only, with respect to the period from April 1, 2003 and through June 1, 2005; and (iv) Holdings and its subsidiaries, including Hawaiian, from and after June 2, 2005 (the effective date of Hawaiian's joint plan of reorganization).

Our Company

We are a holding company whose primary asset is the sole ownership of all issued and outstanding shares of common stock of Hawaiian. Based on the number of scheduled miles flown by revenue passengers in 2004, Hawaiian is the largest airline headquartered in Hawaii and the sixteenth largest domestic airline in the U.S. Hawaiian offers daily service on transpacific routes between Hawaii and Los Angeles, Sacramento, San Diego, San Francisco, San Jose, Las Vegas, Phoenix, Portland, and Seattle, as well as approximately 100 daily jet flights among the Hawaiian Islands, and additional service to Australia, American Samoa and Tahiti.

Hawaiian was originally incorporated in January 1929 under the laws of the Territory of Hawaii and became our indirect wholly-owned subsidiary pursuant to a corporate restructuring that was consummated in August 2002. Hawaiian became a Delaware corporation and our direct wholly-owned subsidiary in June 2005 pursuant to a short-form merger described in greater detail below under Consummation of Hawaiian's Joint Plan of Reorganization.

Consummation of Hawaiian's Joint Plan of Reorganization

On March 21, 2003, Hawaiian filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Hawaii. Holdings did not file for relief under Chapter 11 of the Bankruptcy Code. On May 30, 2003, a bankruptcy trustee was selected to serve in connection with the Chapter 11 filing and operate Hawaiian, which thereafter operated its business under the jurisdiction of the bankruptcy court and in accordance with the applicable provisions of the bankruptcy code and orders of the bankruptcy court until June 2, 2005, the effective date of Hawaiian's joint plan of reorganization. The appointment of the bankruptcy trustee effectively served to divest operational and financial control of Hawaiian from our officers and directors, and severed the availability of funds needed to support our efforts to meet our ongoing obligations, including our reporting requirements under the Securities Exchange Act of 1934, as amended. Effective April 1, 2003, we deconsolidated Hawaiian and prospectively accounted for our ownership

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interest in Hawaiian using the cost method of accounting. Our results of operations, therefore, do not include Hawaiian's operating results during the period from April 1, 2003 through June 1, 2005. During this period, we generated no revenue and our operating expenses consisted almost entirely of legal and professional fees related to Hawaiian's Chapter 11 case, consulting fees, legal fees for general corporate matters and insurance expenses.

On March 11, 2005, we sponsored, together with the bankruptcy trustee, the Official Committee of Unsecured Creditors of Hawaiian, a wholly-owned subsidiary of Holdings formerly known as HHIC, Inc., a Delaware corporation, and RC Aviation, LLC (which is currently our largest shareholder) the Third Amended Joint Plan of Reorganization (the Joint Plan) to provide for Hawaiian to emerge from bankruptcy. The Joint Plan provided for payment in full of all allowed claims, including unsecured claims. The Joint Plan also provided for the merger of Hawaiian with and into HHIC, with HHIC as the surviving entity, and to immediately change

its name to Hawaiian Airlines, Inc., a Delaware corporation. We retained our equity interest in Hawaiian; however, in connection with the Joint Plan, we issued shares of its common stock to creditors of Hawaiian to help fund the Joint Plan, resulting in a dilution of the ownership interest of our common shareholders.

The Joint Plan was consummated on June 2, 2005. Except as otherwise provided in the Joint Plan, on such date, all property of the estate of Hawaiian as an entity in bankruptcy vested in Hawaiian. We accounted for Hawaiian's emergence from bankruptcy as a business combination, with the assets and liabilities of Hawaiian recorded in our consolidated financial statements at their fair values as of June 2, 2005 and the results of Hawaiian's operations included in our results of operations from that date.

Exit Financing Transactions

The Joint Plan was consummated with the financing transactions set forth below. It is our current intention to redeem the subordinated convertible notes described below using the net proceeds of various financing alternatives currently being explored.

Common Stock. On June 2, 2005, we issued approximately 14.1 million shares of our common stock to holders of lease-related claims in Hawaiian's bankruptcy case pursuant to the Joint Plan.

Senior Credit Facility. On June 2, 2005, Hawaiian became a borrower under a \$50 million senior secured credit facility, comprised of a revolving line of credit in the maximum amount of \$25 million and a \$25 million term loan, that is secured by substantially all of our assets, is guaranteed by us and matures in three years.

Term B Credit Facility. On June 2, 2005, Hawaiian became a borrower under an additional \$25 million term loan that is secured by substantially all of our assets, subject to the prior liens we granted to the senior lenders under the senior credit facility, is guaranteed by us and matures in three years.

Subordinated Convertible Notes. On June 1, 2005, we entered into a Note Purchase Agreement with RC Aviation, LLC (RC Aviation) pursuant to which RC Aviation and its members purchased from Holdings Series A Subordinated Convertible Notes due June 1, 2010 and Series B Subordinated Convertible Notes due June 1, 2010 (collectively, the Notes), in the aggregate principal amount of \$60 million. The Notes are convertible into shares of our Common Stock at a conversion price of \$4.35 per share at any time after the first anniversary of issuance. We have the right, and we have covenanted to use our best efforts, to redeem the Notes, at 105% of the aggregate principal amount, plus all accrued and unpaid interest due and payable thereunder, at any time prior to the first anniversary of issuance. It is our current intention to redeem the Notes using the net proceeds of various financing alternatives currently being explored. In addition, on June 2, 2005, RC Aviation received a warrant to purchase shares of our newly designated Series E Preferred Stock. On July 8, 2005, such warrant was automatically exchanged for a warrant to purchase up to 10% of the diluted shares of our Common Stock (6,855,685 shares) at an exercise price of \$7.20 per share, of which warrant half had been previously earned by RC Aviation for its funding commitment with respect to

the Joint Plan, and the other half of which was earned by RC Aviation in connection with its purchase of the Notes (the Common Stock Warrant). On October 19, 2005 and October 21, 2005, we repurchased an aggregate of approximately \$3.9 million and \$1.1 million, respectively, in principal amount of the Notes at their face amount, plus accrued interest, and a corresponding portion of the Common Stock Warrant. After giving effect to the warrant repurchases in connection with the Note repurchases, RC Aviation now holds a warrant to purchase 6,283,705 shares of Common Stock.

Summary of the Offering

The following material is qualified in its entirety by the information appearing elsewhere in this prospectus.

Issuer	Hawaiian Holdings, Inc.
Common stock to be offered by selling stockholders	19,444,170 shares
Common stock outstanding as of October 21, 2005	45,125,100 shares
Use of proceeds	We will not receive any proceeds from the sale of the shares of common stock covered by this prospectus. The proceeds from the sale of the common stock offered pursuant to this prospectus are solely for the account of the selling stockholders. Accordingly, we will not receive any proceeds from the sale of the shares from the selling stockholders. However, we would receive the proceeds of the exercise of the warrants to purchase common stock expected to be held by the members of RC Aviation to the extent that such warrants are exercised for cash. In the event that such warrants are exercised for cash, the aggregate proceeds received by us would be approximately \$45,242,676. There can be no assurance concerning the number or the timing of the exercise of such warrants at this date. In addition, because the warrants contain provisions allowing for a cashless exercise under certain circumstances, there can be no assurance that we would receive all such proceeds even if the warrants are exercised. It is expected that any proceeds realized from the exercise of such warrants will be used by us for general working capital.

Risk Factors

Shares offered in this prospectus involve a high degree of risk. You should carefully consider the risk factors commencing on page 7 in determining whether to purchase the shares.

Our principal executive office is located at 3375 Koapaka Street, Suite G-350, Honolulu, HI 96819 and our telephone number is (808) 835-3700.

Selected Consolidated Financial Data

The following table presents our selected consolidated financial data for the periods presented. We derived our selected consolidated financial data for the years ended December 31, 2000, 2001, 2002, 2003 and 2004 from our audited consolidated financial statements. We derived the selected consolidated financial data for the six months ended June 30, 2004 and June 30, 2005 from our unaudited consolidated financial statements. Effective April 1, 2003, we deconsolidated Hawaiian and prospectively accounted for our ownership of Hawaiian using the cost method of accounting. Our results of operations, therefore, do not include Hawaiian's operating results during the period from April 1, 2003 through June 1, 2005, the day prior to the effective date of Hawaiian's joint plan of reorganization. During this period, we generated no revenue and our operating expenses consisted almost entirely of legal and professional fees related to Hawaiian's Chapter 11 case, consulting fees, legal fees for general corporate matters and insurance expenses. On June 2, 2005, the effective date of Hawaiian's joint plan of reorganization, we reconsolidated Hawaiian as of such date for financial reporting purposes and began including Hawaiian's results of operations in our consolidated results of operations. The balance sheets as of December 31, 2003 and 2004 include the deconsolidated balances of Holdings only, whereas the balance sheet as of June 30, 2005 includes the consolidated balances of Holdings and Hawaiian. The unaudited consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements and, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The results for any interim period are not necessarily indicative of the results that may be expected for a full year. You should read this data in conjunction with the information set forth under Capitalization, Management's Discussion and Analysis of Financial Condition and Results of Operations, our financial statements and the related notes, Hawaiian's financial statements and the related notes and the other financial information in this prospectus.

	Year ended December 31,					Six months ended June 30,	
	2000	2001	2002	2003	2004	2004	2005
	(in thousands, except per share amounts)						
Statement of Operations Data:							
Operating revenue	\$ 607,220	\$ 611,582	\$ 632,038	\$ 157,064	\$	\$	\$ 69,922
Operating expenses	621,022	594,921	688,117	172,157	7,266	3,854	75,558
Operating income (loss)	(13,802)	16,661	(56,079)	(15,093)	(7,266)	(3,854)	(5,636)
Net income (loss)	(18,615)	5,069	(58,275)	(16,998)	(7,262)	(3,851)	(696)
Net income (loss) per common share:							
Basic	(0.48)	0.15	(1.88)	(0.60)	(0.24)	(0.13)	(0.02)
Diluted	(0.48)	0.15	(1.88)	(0.60)	(0.24)	(0.13)	(0.02)
Balance Sheet Data (end of period):							
Total assets	\$ 256,968	\$ 305,294	\$ 256,166	\$ 862	\$ 2,844	\$ 2,734	\$ 692,475
Property and equipment, net	83,743	45,256	45,685				50,677
Long-term debt	10,763	1,673	883				76,076
Capital lease obligations	2,067	3,308	2,358				834
Shareholders' equity (deficiency)	18,259	(21,210)	(142,610)	(63,731)	(61,292)	(63,462)	71,058

Summary Combined and Pro Forma Financial Data

The following table presents summary combined and pro forma financial data for the periods presented. Effective April 1, 2003, we deconsolidated Hawaiian and prospectively accounted for our ownership interest in Hawaiian using the cost method of accounting. Our historical results of operations include the operating results of Hawaiian through March 31, 2003 and from and after June 2, 2005, as described below. Hawaiian's emergence from bankruptcy has been accounted for as a business combination (the acquisition of Hawaiian by Holdings), with the assets and liabilities of Hawaiian recorded in our consolidated financial statements at their fair value as of June 2, 2005, and Hawaiian's results of operations have been included in our consolidated results of operations from June 2, 2005. However, given the significance of Hawaiian's results of operations to our future results of operations and financial condition, as well as the limited nature of our operations subsequent to the deconsolidation of Hawaiian, the historical results of operations of Holdings and Hawaiian subsequent to the deconsolidation have been combined below in order to provide a more informative comparison of results. The unaudited pro forma financial data has been prepared based on the historical financial statements of Holdings and Hawaiian, adjusted to give pro forma effect to Hawaiian's emergence from bankruptcy. The unaudited pro forma consolidated statements of operations data for the six months ended June 30, 2005 and the year ended December 31, 2004 is presented as if the acquisition had occurred on January 1, 2004. The unaudited pro forma consolidated financial statements are presented for informational purposes only and are not intended to represent or be indicative of the results of operations or financial condition that we would have reported had the acquisition occurred as of the date presented, and should not be taken as representative of our future consolidated results of operations or financial condition.

We derived the summary combined and pro forma financial data for the years ended December 31, 2003 and 2004 from the audited financial statements of Holdings and Hawaiian. We derived the summary combined and pro forma financial data for the six months ended June 30, 2004 and June 30, 2005 from the unaudited financial statements of Holdings and Hawaiian. The unaudited financial statements have been prepared on the same basis as the audited financial statements of Holdings and Hawaiian and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The results for any interim period are not necessarily indicative of the results that may be expected for a full year. You should read the following summary combined and pro forma financial data in conjunction with the information set forth under Capitalization, Unaudited Pro Forma Consolidated Financial Statements, Management's Discussion and Analysis of Financial Condition and Results of Operations, our financial statements and the related notes, Hawaiian's financial statements and the related notes and the other financial information in this prospectus.

	Combined year ended December 31,		Pro forma year ended December 31,	Combined six months ended June 30,		Pro forma six months ended June 30,
	2003	2004	2004	2004	2005	2005
	(in thousands)					
Statement of Operations Data:						
Operating revenue	\$ 706,145	\$ 763,965	\$ 750,381	\$ 369,009	\$ 391,430	\$ 390,254
Operating expenses	630,266	700,148	712,595	338,902	386,859	391,574
Operating income (loss)	75,879	63,817	37,786	30,107	4,571	(1,320)
Net income (loss)	(49,691)	(82,702)	(117,357)	12,563	(6,211)	(16,041)
Balance Sheet Data (end of period):						
Total assets	\$ 329,233	\$ 337,049	\$ 611,592	\$ 408,856	\$ 692,475	\$ 692,475
Property and equipment, net	45,991	51,539	40,367	46,478	50,677	50,677
Long-term debt			70,248	39	96,258	96,258
Capital lease obligations			1,110		1,071	1,071
Shareholders' equity (deficiency)	(210,239)	(291,677)	37,079	(193,111)	71,058	71,058

Operating Statistics of Hawaiian Airlines, Inc.

	Year ended December 31,					Six months ended June 30,	
	2000	2001	2002	2003	2004	2004	2005
	(in thousands, unless otherwise stated)						
Scheduled Operations:							
Revenue passengers	5,886	5,478	5,587	5,597	5,580	2,812	2,775
Revenue passenger miles	4,492,395	4,295,479	4,804,498	5,550,136	6,134,248	2,941,364	3,090,337
Available seat miles (ASM)	5,967,810	5,587,566	6,246,127	6,915,283	7,150,651	3,495,967	3,625,073
Passenger load factor	75.3%	76.9%	76.9%	80.3%	85.8%	84.1%	85.3%
Passenger revenue per passenger mile	10.58¢	11.37¢	11.02¢	11.29¢	11.40¢	11.54¢	11.46¢