

HAWAIIAN HOLDINGS INC  
Form 424B5  
March 21, 2011

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Filed Pursuant to Rule 424(b)(5)  
Reg. Statement No. 333-162891

PROSPECTUS SUPPLEMENT

March 18, 2011

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(To Prospectus dated November 19, 2009)

\$75,000,000

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## 5.00% Convertible Senior Notes due 2016

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### NOTES

- > Hawaiian Holdings, Inc. is offering \$75 million aggregate principal amount of its 5.00% Convertible Senior Notes due 2016 (the "notes").
- > We will pay 5.00% interest per annum on the principal amount of the notes semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2011. Interest will accrue on the notes from, and including March 23, 2011 or from, and including, the last date in respect of which interest has been paid or provided for, as the case may be, to, but excluding, the next interest payment date or maturity date of the notes, as the case may be.
- > The notes will mature on March 15, 2016.

### CONVERSION

- > Holders may convert their notes at their option prior to November 15, 2015 only under the following circumstances: (1) during any calendar quarter after the calendar quarter ending June 30, 2011, if the closing sale price of our common stock for each of 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 130% of the conversion price of such notes (the "conversion trigger price") in effect on the last trading day of the immediately preceding calendar quarter; (2) during the five consecutive business days immediately after any 10 consecutive trading-day period (we refer to this 10 consecutive trading-day period as the "note measurement period") in which the trading price per \$1,000 principal amount of such notes for each trading day of that note measurement period was less than 97% of the product of the closing sale price of shares of our common stock and the applicable conversion rate for such trading day; and (3) upon the occurrence of specified corporate transactions as described in this prospectus supplement.
- > In addition, the notes will be convertible irrespective of the foregoing circumstances from, and including, November 15, 2015 to, and including, the second scheduled trading day immediately preceding the maturity date of the notes.
- > Upon conversion, we will have the right to pay or deliver, as the case may be, cash, shares of our common stock or a combination thereof, at our election. At any time on or prior to November 15, 2015, we may irrevocably elect to (x) deliver solely shares of our common stock in respect of our conversion obligation or (y) pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock or a combination thereof in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted as described in this prospectus supplement.

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- > The initial conversion rate will be 126.8730 shares of our common stock per \$1,000 principal amount of notes (which is equivalent to an initial conversion price of approximately \$7.88 per share of our common stock). The conversion rate, and thus the conversion price, will be subject to adjustment as described in this prospectus supplement. A holder that surrenders notes for conversion in connection with a "make-whole fundamental change" that occurs before the maturity date may in certain circumstances be entitled to an increased conversion rate.

### REDEMPTION AND REPURCHASE

- > We may not redeem the notes prior to their maturity date.
- > Holders may require us to repurchase all or a portion of their notes upon a fundamental change, as described in this prospectus supplement, at a repurchase price in cash equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

### RANKING

- > The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior unsecured indebtedness and rank senior to all of our indebtedness that is expressly subordinated to the notes. However, the notes will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, and the notes will be structurally subordinated to all liabilities of our subsidiaries.

### LISTING

- > The notes are a new issue of securities, and there is currently no established trading market for the notes. An active or liquid market may not develop for the notes or, if developed, be maintained. Our common stock is listed on The NASDAQ Global Select Market under the symbol "HA." On March 17, 2011, the closing sale price of our common stock on The NASDAQ Global Select Market was \$6.11 per share. We do not intend to apply for listing of the notes on any securities exchange or to arrange for their quotation on any interdealer quotation system.

Investing in the notes involves significant risks. See "Risk factors" beginning on page S-12.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price	\$ 1,000	\$75,000,000
Underwriting discounts and commissions	\$ 30	\$ 2,250,000
Proceeds, before expenses, to us	\$ 970	\$72,750,000

We have granted the underwriters an option to purchase, within a 13 day period beginning on, and including, the date on which the notes are initially issued, up to an additional \$11.25 million aggregate principal amount of notes solely to cover over-allotments, if any.

We expect that the notes will be ready for delivery in book-entry-only form through The Depository Trust Company on or about March 23, 2011.

*Sole Bookrunning Manager*

## UBS Investment Bank

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*Co-Manager*

## Imperial Capital

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We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus together are an offer to sell only the notes offered in this offering, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus or any issuer free writing prospectus is current only as of its date.

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## About this prospectus supplement

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading "Where You Can Find More Information." We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

In this prospectus supplement, as permitted by law, we "incorporate by reference" information from other documents that we file with the Securities and Exchange Commission, or the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus supplement is considered to be automatically updated and superseded. In other words, in case of a conflict or inconsistency between information contained in this prospectus supplement and information incorporated by reference into this prospectus supplement, you should rely on the information contained in the document that was filed later.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any issuer free writing prospectus and the documents incorporated by reference is accurate only as of their respective dates. Hawaiian Holdings, Inc.'s business, financial condition, results of operations and prospects may have changed since such dates. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the notes and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Unless otherwise indicated or unless the context requires otherwise, when we refer in this prospectus supplement to "Hawaiian Holdings, Inc.," the "Company," "we," "our," "us" or similar words, we are referring only to the parent company, Hawaiian Holdings, Inc., a Delaware corporation.

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## Special note regarding forward-looking statements

This prospectus supplement, the accompanying prospectus and the information incorporated by reference herein and therein contain certain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect our current views with respect to certain current and future events and financial performance. Forward-looking statements are statements that are not historical facts. Forward-looking statements include, without limitation, the following:

- > any expectations of operating expenses, deferred revenue, interest rates, income taxes, deferred tax assets, valuation allowance or other financial items;
- > statements regarding factors that may affect our operating results;
- > estimates of fair value measurements;
- > statements related to aircraft maintenance and repair costs and deposits and timing of maintenance activities;
- > statements related to cash flow from operations and seasonality;
- > estimates of required funding of and contributions to our defined benefit pension and disability plan;
- > estimates of annual fuel expenses and measure of the effects of fuel prices on our business;
- > statements regarding the availability of fuel;
- > statements regarding our relations with travel agents and wholesalers;
- > statements regarding our wages and benefits and labor costs and agreements;
- > statements regarding costs of compliance with U.S. or international laws or regulations or under international treaties;
- > statements regarding costs of compliance with regulations promulgated by the U.S. Department of Transportation, Federal Aviation Administration, Federal Communications Commission and other regulatory agencies;
- > statements regarding the availability of war-risk insurance;
- > statements related to airport rent rates and landing fees at airports;
- > statements regarding compliance with potential environmental regulations;
- > statements regarding potential dilution of our securities;
- >

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statements regarding cost liability and deferred revenue estimates related to the frequent flyer program;

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statements related to our hedging program;

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statements concerning the impact of, and changes to, accounting principles, policies and estimates;

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statements related to markets for and interest earned on auction rate securities;

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statements regarding credit card holdback;

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statements regarding potential violations under the Company and our subsidiaries' debt or lease obligations;

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**Special note regarding forward-looking statements**

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- > statements regarding our ability to comply with covenants under our financing arrangements;
- > statements related to risk management, credit risks and air traffic liability;
- > statements related to future U.S. and global economic conditions or performance;
- > statements related to changes in our fleet plan and related cash outlays;
- > statements related to the effects of any litigation on our operations or business; and
- > statements as to other matters that do not relate strictly to historical facts or statements of assumptions underlying any of the foregoing.

These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to our operations and business environment, all of which may cause our actual results to be materially different from any future results, expressed or implied, in these forward-looking statements.

You can identify these and other forward-looking statements by the use of words such as "becoming," "may," "will," "should," "predicts," "potential," "continue," "anticipates," "believes," "estimates," "seeks," "expects," "plans," "intends," the negative of such words, or comparable terminology. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we have based these expectations on our beliefs as well as our assumptions, and such expectations may prove to be incorrect. Our actual results of operations and financial performance could differ significantly from those expressed in or implied by our forward-looking statements. For factors, risks, uncertainties and assumptions that could cause our actual results of operations and financial performance to differ significantly from those expressed in or implied by our forward-looking statements, please see the "Risk factors" section provided below and in portions of our periodic reports filed with the SEC and incorporated by reference in this prospectus supplement and the accompanying prospectus. There is no assurance that any list of risks and uncertainties or risk factors is complete.

In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus supplement, the accompanying prospectus and the information incorporated by reference may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements are based on information available to us on the date of the document that contains the forward-looking statements, and we assume no obligation to update any such forward-looking statements.

Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to review any additional disclosures we make in the documents we subsequently file with the SEC that are incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Documents incorporated by reference."

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## Summary

*This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and does not contain all the information that you need to consider in making your investment decision. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the information to which we refer you and the information incorporated by reference herein, before deciding whether to invest in the notes. You should pay special attention to the "Risk factors" section of this prospectus supplement to determine whether an investment in the notes is appropriate for you.*

### **ABOUT HAWAIIAN HOLDINGS, INC.**

#### **Overview**

Hawaiian Holdings, Inc. is a holding company incorporated in the State of Delaware. The Company's primary asset is the sole ownership of all issued and outstanding shares of common stock of Hawaiian Airlines, Inc. ("Hawaiian"). 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 the Company's direct wholly-owned subsidiary concurrent with its reorganization and reacquisition by the Company in June 2005.

Hawaiian is engaged in the scheduled air transportation of passengers and cargo amongst the Hawaiian Islands (the interisland routes), between the Hawaiian Islands and certain cities in the Western United States (the transpacific routes), and between the Hawaiian Islands and the South Pacific, Australia and Asia (the Pacific routes). In addition, Hawaiian also operates various charter flights. Hawaiian is the largest airline headquartered in Hawaii and the thirteenth largest domestic airline in the United States based on revenue passenger miles reported by the Research and Innovative Technology Administration Bureau of Transportation Statistics as of October 31, 2010. At December 31, 2010, Hawaiian's fleet consisted of fifteen Boeing 717-200 aircraft for its interisland routes and eighteen Boeing 767-300 and three Airbus A330-200 aircraft for its transpacific, Pacific and charter routes.

#### ***Flight operations***

Our flight operations are based in Honolulu, Hawaii. At the end of 2010, we operated approximately 185 scheduled flights per day with:

- > daily service on our transpacific routes between Hawaii and Los Angeles, Oakland, Sacramento, San Diego, San Francisco and San Jose, California; Las Vegas, Nevada; Phoenix, Arizona; Portland, Oregon and Seattle, Washington;
- > daily service on our interisland routes among the four major islands of the State of Hawaii;
- > scheduled service on our Pacific routes between Hawaii and Pago Pago, American Samoa; Papeete, Tahiti; Sydney, Australia; Manila, Philippines; Tokyo, Japan and Seoul, South Korea (begun in January 2011); and
- > other ad hoc charters.

#### ***Fuel***

Our operations and financial results are significantly affected by the availability and price of jet fuel. The following table sets forth statistics about Hawaiian's aircraft fuel consumption and cost, including



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the impact of Hawaiian's fuel hedging program under Accounting Standard Codification (ASC) 815, "Accounting for Derivative Instruments and Hedging Activities" (ASC 815).

Year	Gallons consumed	Total cost, including taxes	Average cost per gallon	Percent of operating expenses
(in thousands)				
2010	140,995	\$ 322,999	\$ 2.29	26.5%
2009	137,589	\$ 243,909	\$ 1.77	22.7%
2008 <sup>(a)</sup>	134,140	\$ 424,532	\$ 3.16	37.9%

(a)

*For 2008, the percent of operating expenses includes the effect of the litigation settlement with Mesa Air Group, Inc. (Mesa). See Note 3 to the consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2010 for additional information regarding this litigation settlement.*

As illustrated by the table above, fuel costs constitute a significant portion of our operating expenses. Approximately 59% of our fuel is based on Singapore jet fuel prices, 39% is based on U.S. West Coast jet fuel prices and 2% on other jet fuel prices. We purchase aircraft fuel at prevailing market prices, but seek to manage market risk through the execution of a hedging strategy. To manage economic risks associated with fluctuations in aircraft fuel prices, we periodically enter into derivative financial instruments such as crude oil caps (or call options) and collars (a combination of call options and put options). During 2010, our fuel derivatives were not designated for hedge accounting under ASC 815 and were marked to fair value. As such, \$0.6 million in net gains from our fuel hedging activities were not recorded as a decrease to aircraft fuel expense in operating activities, but rather as nonoperating income.

Additional information regarding our fuel program and hedging position is in our Annual Report on Form 10-K for the year ended December 31, 2010.

**Marketing and ticket distribution**

In an effort to lower our distribution costs and reduce our reliance on travel agencies, we continued to pursue e-commerce initiatives during 2010. Since 2003, we have substantially increased the use of our website, [www.HawaiianAirlines.com](http://www.HawaiianAirlines.com), as a distribution channel. During 2010, more than half of our passenger revenue originated through our website. In addition, we provide internet check-in and self-service kiosks to improve the customer check-in process. Our website offers our customers information on our flight schedules, our *HawaiianMiles* frequent flyer program, the ability to book reservations on our flights or connecting flights with any of our code share partners, the status of our flights as well as the ability to purchase tickets or travel packages. We also publish fares with web-based travel services such as Orbitz, Travelocity, Expedia, Hotwire and Priceline. These comprehensive travel planning websites provide customers with convenient online access to airline, hotel, car rental and other travel services.

**Code sharing and other alliances**

We have marketing alliances with other airlines that provide reciprocal frequent flyer mileage accrual and redemption privileges and code sharing on certain flights (one carrier placing its name and flight numbers, or code, on flights operated by the other carrier). These programs enhance our revenue opportunities by:

- > providing our customers more value by offering easier access to more travel destinations and better mileage accrual/redemption opportunities;
- > gaining access to more connecting traffic from other airlines; and



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&gt;

providing members of our alliance partners' frequent flyer programs an opportunity to travel on our system while earning mileage credit in the alliance partners' programs.

Our marketing alliances with other airlines as of December 31, 2010 were as follows:

	Hawaiian Miles frequent flyer agreement	Other airline frequent flyer agreement	Codeshare Hawaiian flight # on flights operated by other airline	Codeshare other airline flight # on flights operated by Hawaiian
American Airlines (American)	No	Yes	No	Yes
American Eagle	No	Yes	Yes	No
Continental Airlines (Continental)	Yes	Yes	Yes	Yes
Delta Air Lines (Delta)	Yes	Yes	No	No
Island Air	No	No	Yes	No
Korean Air	No	No	Yes	Yes
United Airlines (United)	No	Yes	No	Yes
US Airways	No	Yes	No	Yes
Virgin Atlantic Airways	Yes	Yes	No	No
Virgin Blue	No	Yes	No	No

Although these programs and services increase our ability to be more competitive, they also increase our reliance on third parties.

**Regulation**

Our business is subject to extensive and evolving federal, state and local laws and regulations. Many governmental agencies regularly examine our operations to monitor compliance with applicable laws and regulations. Governmental authorities can enforce compliance with applicable laws and regulations and obtain injunctions or impose civil or criminal penalties or modify, suspend or revoke our operating certificates in case of violations.

We cannot guarantee that we will be able to obtain or maintain necessary governmental approvals. Once obtained, operating permits are subject to modification and revocation by the issuing agencies. Compliance with these and any future regulatory requirements could require us to make significant capital and operating expenditures. However, most of these expenditures are made in the normal course of business and do not place us at any competitive disadvantage. The primary U.S. federal statutes affecting our business are discussed in our Annual Report on Form 10-K for the year ended December 31, 2010.

**Recent developments****Investor update**

On March 14, 2011, we furnished a Current Report on Form 8-K containing an update on our first quarter outlook and expected first quarter fuel expense.

**Osaka added in Asia expansion**

We recently announced new daily, nonstop flights between Honolulu and Osaka, Japan, our third new Asia destination in recent months. Subject to Japan government approval, our inaugural flight from Honolulu International Airport to Osaka's Kansai International Airport is scheduled for July 12, 2011, with the inaugural return flight from Osaka to Honolulu on July 13, 2011.

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Osaka will be the third city in Asia we have introduced to our route structure in recent months, following the start of service to Seoul, South Korea in January 2011, and Tokyo, Japan in November 2010.

**Other information**

Our principal executive offices are located at 3375 Koapaka Street, Suite G-350, Honolulu, Hawaii 96819, and our telephone number is (808) 835-3700. We maintain a website at [www.hawaiianairlines.com](http://www.hawaiianairlines.com). We are not incorporating the contents of, or information accessible through, our website into this prospectus supplement or the accompanying prospectus.

**Risk factors**

An investment in the notes involves certain risks. You should carefully consider the risks described under "Risk factors" beginning on page S-12 of this prospectus supplement and in the "Risk Factors" section included in our Annual Report on Form 10-K for the year ended December 31, 2010, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and the notes thereto, before making an investment decision.

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## Summary of offering

*The following summary contains basic information about the notes and is not complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, you should read the section of this prospectus supplement entitled "Description of notes," together with the section of the prospectus entitled "Description of the Debt Securities."*

Issuer	Hawaiian Holdings, Inc., a Delaware corporation.
Notes	\$75 million aggregate principal amount of 5.00% convertible senior notes due 2016. We have granted the underwriters an option to purchase, within a 13 day period beginning on, and including, the date on which the notes are initially issued, up to an additional \$11.25 million aggregate principal amount of notes solely to cover over-allotments, if any.
Maturity	The notes will mature on March 15, 2016, unless earlier repurchased or converted.
Interest payment dates	We will pay 5.00% interest per annum on the principal amount of the notes semi-annually in arrears on March 15 and September 15 of each year, starting on September 15, 2011, to holders of record at the close of business on the preceding March 1 and September 1, respectively. Interest will accrue on the notes from and including March 23, 2011 or from, and including, the last date in respect of which interest has been paid or provided for, as the case may be, to, but excluding, the next interest payment date or maturity date, as the case may be.
Ranking	<p>The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior unsecured indebtedness and rank senior to all of our indebtedness that is expressly subordinated to the notes. However, the notes will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness, and the notes will be structurally subordinated to all liabilities, including trade payables and lease obligations, of our subsidiaries.</p> <p>As of December 31, 2010, we had approximately \$143.6 million of consolidated secured indebtedness outstanding and approximately \$188.8 million of total consolidated outstanding indebtedness. As of December 31, 2010, our subsidiaries had approximately \$839.3 million of indebtedness and other liabilities of a type required to be reflected on a balance sheet in accordance with U.S. generally accepted accounting principles (including trade payables and excluding intercompany obligations), all of which is structurally senior to the notes.</p>

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Conversion rights

Holders may convert their notes at their option prior to November 15, 2015 only under the following circumstances:

>during any calendar quarter after the calendar quarter ending June 30, 2011, and only during such calendar quarter, if the closing sale price of our common stock for each of 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 130% of the conversion price (the "conversion trigger price") in effect on the last trading day of the immediately preceding calendar quarter;

>during the five consecutive business days immediately after any 10 consecutive trading-day period (we refer to this 10 consecutive trading-day period as the "note measurement period") in which the trading price per \$1,000 principal amount of notes for each trading day of that note measurement period was less than 97% of the product of the closing sale price of shares of our common stock and the applicable conversion rate for such trading day; and

>if we make certain distributions on shares of our common stock or engage in certain corporate transactions as described in this prospectus supplement. See "Description of notes Conversion rights Conversion upon the occurrence of certain corporate transactions."

In addition, the notes will be convertible irrespective of the foregoing circumstances from, and including, November 15, 2015 to, and including, the second scheduled trading day immediately preceding the maturity date of the notes.

The initial conversion rate will be 126.8730 shares of common stock per \$1,000 principal amount of notes (which is equivalent to an initial conversion price of approximately \$7.88 per share of common stock). The conversion rate, and thus the conversion price, will be subject to adjustment as described in this prospectus supplement. See "Description of notes Conversion rights."

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Upon conversion, we will have the right to pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock to satisfy our conversion obligation, in each case, as described under "Description of notes Conversion rights Settlement upon conversion." At any time on or prior to November 15, 2015, we may make an irrevocable election to satisfy our conversion obligation by (x) delivering solely shares of our common stock or (y) paying cash up to the aggregate principal amount of the notes to be converted and paying or delivering, as the case may be, cash, shares of our common stock or a combination thereof in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted. See "Description of notes Conversion rights Irrevocable election of full physical settlement" and "Description of notes Conversion rights Irrevocable election of net share settlement." Upon any conversion, subject to certain exceptions, you will not receive any cash payment representing accrued and unpaid interest. See "Description of notes Conversion rights."

A holder that surrenders notes for conversion in connection with a "make-whole fundamental change" that occurs before the maturity date may in certain circumstances be entitled to an increased conversion rate. See "Description of notes Conversion rights Adjustment to the conversion rate upon the occurrence of a make-whole fundamental change."

Sinking fund

None.

Optional redemption

We may not redeem the notes prior to their maturity date.

Right of holder to require us to repurchase notes if a fundamental change occurs

If a fundamental change, as described in this prospectus supplement, occurs, holders may require us to repurchase all or a portion of their notes for cash at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. See "Description of notes Holders may require us to repurchase their notes upon a fundamental change."

Events of default

If an event of default on the notes has occurred and is continuing, the principal amount of the notes, plus any accrued and unpaid interest, may become immediately due and payable. These amounts automatically become due and payable upon certain events of default. See "Description of notes Events of default."

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Convertible note hedge and warrant transactions

In connection with the offering of the notes, we entered into privately negotiated convertible note hedge transactions with one or more of the underwriters and their affiliates and/or other financial institutions, which we refer to as the hedge counterparties. We also entered into privately negotiated warrant transactions with one or more of the hedge counterparties. The convertible note hedge transactions are intended to reduce potential dilution to our common stock and/or offset potential cash payments in excess of the principal amount of converted notes, as the case may be, upon any conversion of the notes. However, the warrant transactions will separately have a dilutive effect on our common stock to the extent that the market value per share of our common stock exceeds the strike price of the warrants. If the underwriters exercise their over-allotment option, we may enter into additional convertible note hedge transactions and additional warrant transactions.

In connection with establishing its initial hedge of the convertible note hedge and warrant transactions, each hedge counterparty and/or its affiliates expects to enter into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the notes. These activities could increase (or reduce the size of any decrease in) the market price of our common stock concurrently with or shortly after the pricing of the notes.

In addition, the hedge counterparties or their affiliates are likely to modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are particularly likely to do so during any cash settlement averaging period and on or around any conversion date related to a conversion of notes).

The effect, if any, of any of these transactions and activities on the market price of our common stock or the trading price of the notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could adversely affect the value of our common stock, which could affect your ability to convert the notes, the value of the notes and the amount of cash and/or the number of and value of shares of our common stock, if any, holders will receive upon conversion of the notes.



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	For a discussion of the potential impact of any market or other activity by the hedge counterparties and/or their affiliates in connection with these convertible note hedge and warrant transactions, see "Risk factors Risks related to the notes and the underlying shares of common stock The convertible note hedge and warrant transactions may affect the value of the notes and our common stock," "Description of convertible note hedge and warrant transactions" and "Underwriting."
Ownership limitation	United States law prohibits non-U.S. citizens from owning more than 25% of the voting interest of a U.S. air carrier or controlling a U.S. air carrier. Our amended and restated certificate of incorporation prohibits the ownership or control of more than 25% (to be increased or decreased from time to time, as permitted under the laws of the U.S.) of our issued and outstanding voting capital stock by persons who are not "citizens of the U.S."
Certain U.S. federal income tax considerations	For a discussion of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes and any shares of common stock into which the notes may be convertible, see "Material U.S. federal income tax considerations."
Use of proceeds	We estimate that the net proceeds to us from this offering will be approximately \$72.0 million (or approximately \$82.9 million if the underwriters exercise their over-allotment option to purchase additional notes in full), after deducting the underwriters' discounts and commissions and estimated offering expenses payable by us. We intend to use (1) a portion of the net proceeds of this offering to pay the cost of the convertible note hedge transactions (after such cost is partially offset by the proceeds to us from the sale of the warrants), (2) a portion of the net proceeds of this offering to repay a portion of the outstanding loans under our credit agreement and (3) the remaining net proceeds of this offering for general corporate purposes, which could include working capital, fleet capital expenditures, acquisitions, refinancing of existing or other debt or other capital transactions. See "Use of proceeds."
DTC eligibility	The notes will be issued in book-entry-only form and will be represented by one or more global certificates, without interest coupons, deposited with, or on behalf of, DTC and registered in the name of DTC or a nominee of DTC. Beneficial interests in the notes will be shown on, and transfers will be effected only through, records maintained by DTC and its direct and indirect participants. Except in limited circumstances, holders may not exchange interests in their notes for certificated securities. See "Description of notes Form, denomination and registration of notes."
For a more complete description of the terms of the notes, see "Description of notes." For a more complete description of shares of our common stock, see "Description of capital stock."	

Table of Contents**Summary selected consolidated financial information**

We present below our summary selected consolidated financial information. The summary of operations data for the years ended December 31, 2010, 2009 and 2008 and the summary consolidated balance sheet data as of December 31, 2010 and 2009 have been derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement. The summary of operations data for the years ended December 31, 2007 and 2006 and the summary consolidated balance sheet data as of December 31, 2008, 2007 and 2006 have been derived from our audited consolidated financial statements which are not incorporated by reference into this prospectus supplement. The scheduled operations data for the years ended December 31, 2010, 2009 and 2008 have been derived from our unaudited consolidated financial information incorporated by reference in this prospectus supplement. The scheduled operations data for the years ended December 31, 2007 and 2006 have been derived from our unaudited consolidated financial information that is not incorporated by reference in this prospectus supplement. In the opinion of management, such unaudited scheduled operations data contains all adjustments necessary for the fair presentation of the information set forth therein. We use the scheduled operations data presented to help us evaluate growth trends, establish budgets, ensure the effectiveness of our sales and marketing efforts and assess operations efficiencies. The historical financial and operating results presented below are not necessarily indicative of results that may be achieved in future periods.

You should read this information together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited and unaudited consolidated financial statements and related notes, included in our Annual Report on Form 10-K for the year ended December 31, 2010, incorporated by reference in this prospectus supplement.

	December 31, 2010	December 31, 2009	Year ended December 31, 2008	December 31, 2007	December 31, 2006
(in thousands, except per share data and as otherwise indicated)					
<b>Summary of Operations:</b>					
Operating revenues	\$ 1,310,093	\$ 1,183,306	\$ 1,210,865	\$ 982,555	\$ 888,047
Operating expenses <sup>(4)</sup>	1,218,815	1,075,822	1,118,967	975,721	887,541
Operating income	91,278	107,484	91,898	6,834	506
Net income (loss) <sup>(b)(c)(d)(e)</sup>	110,255	116,720	28,586	7,051	(40,547)
Net income (loss) per common stock share					
Basic	\$ 2.15	\$ 2.26	\$ 0.59	\$ 0.15	\$ (0.86)
Diluted	2.10	2.22	0.57	0.15	(0.86)
Weighted Average Number of Common Stock shares outstanding:					