

Frontier Airlines Holdings, Inc.  
Form 10-Q  
July 27, 2007

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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 June 30, 2007

☐ TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

Commission file number: 000-51890

**FRONTIER AIRLINES HOLDINGS, INC.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporated or organization)

20-4191157  
(I.R.S. Employer Identification No.)

7001 Tower Road, Denver, CO  
(Address of principal executive offices)

80249  
(Zip Code)

Issuer's telephone number, including area code: (720) 374-4200

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 or large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

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

The number of shares of the Company's Common Stock outstanding as of July 26, 2007 was 36,641,744.

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## TABLE OF CONTENTS

### PART I. FINANCIAL INFORMATION

		<u>Page</u>
<b>Item 1.</b>	<b>Financial Information</b>	
	Consolidated Balance Sheets (unaudited) at June 30, 2007 and March 31, 2007	1
	Consolidated Statements of Operations (unaudited) for the three months ended	
	June 30, 2007 and 2006	2
	Consolidated Statements of Cash Flows (unaudited) for the three months ended	
	June 30, 2007 and 2006	3
	Notes to the Consolidated Financial Statements (unaudited)	4
<b>Item 2.</b>	<b>Management's Discussion and Analysis of Financial Condition and Results of Operations</b>	12
<b>Item 3.</b>	<b>Quantitative and Qualitative Disclosures about Market Risk</b>	34
<b>Item 4.</b>	<b>Controls and Procedures</b>	35

### PART II. OTHER INFORMATION

<b>Item 2.</b>	<b>Unregistered Sale of Equity Securities and Use of Proceeds</b>	35
<b>Item 6.</b>	<b>Exhibits</b>	36

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements (unaudited)****FRONTIER AIRLINES HOLDINGS, INC. AND SUBSIDIARIES****Consolidated Balance Sheets (Unaudited)****(In thousands, except share data)**

	<b>June 30, 2007</b>	<b>March 31, 2007</b>
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 215,431	\$ 202,981
Restricted investments	58,635	42,844
Receivables, net of allowance for doubtful accounts of \$668 and \$632 at June 30, 2007 and March 31, 2007, respectively	59,784	50,691
Prepaid expenses and other assets	27,894	26,163
Inventories, net of allowance of \$334 and \$329 at June 30, 2007 and March 31, 2007, respectively	12,287	15,685
Assets held for sale	1,834	2,041
Total current assets	375,865	340,405
Property and equipment, net (note 4)	695,490	605,131
Security and other deposits	20,258	20,850
Aircraft pre-delivery payments	40,473	52,453
Restricted investments	2,845	2,845
Deferred loan fees and other assets	17,623	21,184
<b>Total Assets</b>	<b>\$ 1,152,554</b>	<b>\$ 1,042,868</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Current liabilities:		
Accounts payable	\$ 63,301	\$ 52,001
Air traffic liability	214,614	183,754
Other accrued expenses (note 6)	84,140	80,324
Current portion of long-term debt (note 7)	30,409	26,847
Deferred revenue and other current liabilities (note 5)	16,296	16,400
Total current liabilities	408,760	359,326
Long-term debt related to aircraft notes (note 7)	418,852	359,908
Convertible notes	92,000	92,000
Deferred revenue and other liabilities (note 5)	25,723	22,138
<b>Total Liabilities</b>	<b>\$ 945,335</b>	<b>\$ 833,372</b>
Stockholders' equity:		
Preferred stock, no par value, authorized 1,000,000 shares; none issued	—	—
Common stock, no par value, stated value of \$.001 per share, authorized 100,000,000 shares; 36,641,744 and 36,627,455 shares issued and outstanding at June 30, 2007 and March 31, 2007, respectively	37	37

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Treasury stock, stated at cost	—	(1,838)
Additional paid-in capital	194,230	193,943
Unearned ESOP shares	(919)	—
Accumulated other comprehensive loss, net of tax (note 8)	(22)	(22)
Retained earnings	13,893	17,376
	207,219	209,496
	\$ 1,152,554	\$ 1,042,868

See accompanying notes to consolidated financial statements.

- 1 -

**FRONTIER AIRLINES HOLDINGS, INC. AND SUBSIDIARIES****Consolidated Statements of Operations****(Unaudited)****(In thousands, except per share amounts)**

	<b>Three Months Ended</b>	
	<b>June 30,</b>	<b>June 30,</b>
	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>		
Passenger - mainline	\$ 303,680	\$ 268,365
Passenger- regional partners	28,822	27,329
Cargo	1,510	1,618
Other	10,758	7,496
<b>Total revenues</b>	<b>344,770</b>	<b>304,808</b>
<b>Operating expenses:</b>		
Flight operations	46,323	39,836
Aircraft fuel	104,713	90,415
Aircraft lease	28,330	25,882
Aircraft and traffic servicing	44,638	37,988
Maintenance	24,798	20,596
Promotion and sales	34,297	29,422
General and administrative	15,332	13,294
Operating expenses - regional partners	34,357	29,483