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## AirTran Holdings, Inc. Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you. (Operator instructions) Your first question is from Mike Linenberg with Merrill Lynch. Please go ahead.

#### Mike Linenberg – Merrill Lynch

Yes, just a couple of questions on the holdback here. If we think about the \$150 million letter of credit facility that you have, what is the percentage of holdback would be implied by that \$150 million, will that cover like a 75% holdback, a 50% holdback, I am just trying to get a sense of the size of that processor agreement?

#### Arne Haak

Sure Mike, this is Arne. First of all, the details of both our LC agreement and our credit card processor agreement are subject to confidentiality clauses. So, we are kind of limited to what we can say, but here is what we can say. The \$150 million letter of credit today would satisfy over 50% of our exposure with our primary processors.

#### Mike Linenberg – Merrill Lynch

(inaudible) you said over 100%.

#### Arne Haak

Over 50% of our exposure. It is a seasonal – it moves seasonally, it declines, it tends to peak in the second quarter and it will decline through the end of the year. The lull point is the year end and then it begins to build up again in the first quarter and then peak again in the second quarter. So, it is typically – if you are looking for a way to try and model it, I would suggest you look at the air traffic liability line historically on the balance sheet and it is a percentage of that liability.

#### Mike Linenberg – Merrill Lynch

Okay good and then just my second question when you go back to RAASM and I think for the quarter initially you thought it would be up I think you said like 4% to 5% or sort of mid-single digits when it came in where it was just up a small amount basically flattish, where in the quarter, where were the areas that were trouble spots? You listed, sort of ran through four or five things, there was a lot of new long haul service out of Milwaukee, if we were to exclude maybe some of the new stuff, maybe

look at it on a same-store sales basis, were you up several percent, what was the biggest drag in the quarter? Just a little more color on that front would be great.

**Bob Fornaro**

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