

Air Transportation Stabilization Board

August 14, 2002

Mr. Jacob M. Schorr
President and Chief Executive Officer
Spirit Airlines, Inc.
2800 Executive Way
Miramar, Florida 33025

Dear Mr. Schorr:

In accordance with the Air Transportation Safety and System Stabilization Act (“Act”) and implementing regulations promulgated by the Office of Management and Budget (“Regulations”), the Air Transportation Stabilization Board (“Board”) has considered the revised application of Spirit Airlines, Inc. (“Spirit”) dated May 14, 2002, as amended, for a Federal loan guarantee of \$54.0 million on a loan of \$60.0 million. The Board’s consideration included a review and analysis of your initial loan guarantee application, your revised application, as well as information subsequently furnished to the Board (“Application”). The review and analysis was conducted by the Board’s staff and the Board’s financial and industry consultants under the standards set out in the Act and the Regulations.

During the process of reviewing Spirit’s original and revised Application, the Board staff held numerous telephone calls with you and your advisors and communicated additional requests for information. The Board staff met with you and your advisors on April 17 and May 7, 2002. Representatives of each Board member attended the meeting on May 31, 2002. Since that time, there were numerous conversations between Spirit and Board staff regarding matters related to the Application including the Board’s preliminary assessment of the Application. Following these meetings and communications, the Board staff and representatives of each Board member fully briefed the Board members on Spirit’s Application.

The Board has carefully considered the Application under the standards set out in the Act and Regulations. The Board’s consideration has included a review and analysis of the Application by the Board’s staff and the Board’s financial and industry consultants. Based on its review, the Board has determined that the Application does not meet the applicable standards, and, accordingly, the Board voted to deny the Application. The vote to deny the application was 2-1, with Department of Transportation General Counsel Kirk K. Van Tine dissenting. After reviewing the analysis of the Board’s staff and outside experts regarding the credit rating and the risk and viability of the business plan, the Board determined that Spirit’s proposal does

not provide a reasonable assurance that Spirit will be able to repay the loan, one of the factors the Board is required to consider under the Regulations. If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Daniel G. Montgomery
Executive Director

Cc: Edward Gramlich
Kirk Van Tine
Peter Fisher