FORM 8-K

Current report filing

Filing Date: **2006-12-13** | Period of Report: **2006-12-13**
SEC Accession No. 0001193125-06-252154

(HTML Version on secdatabase.com)

FILER

AIRTRAN HOLDINGS INC

CIK:**948846**| IRS No.: **582189551** | State of Incorp.:**NV** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-15991** | Film No.: **061273129**
SIC: **4512** Air transportation, scheduled

Mailing Address
9955 AIRTRAN BLVD
ORLANDO FL 32827

Business Address
9955 AIRTRAN BLVD
ORLANDO FL 32827
4072515600

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 13, 2006

AirTran Holdings, Inc.

(Exact name of registrant as specified in its charter)

Nevada	1-15991	58-2189551
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No)

9955 AirTran Boulevard, Orlando, Florida 32827
(Address of principal executive offices) (Zip Code)

Registrant' s telephone number, including area code: (407) 251-5600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure

Item 8.01. Other Events.

On December 13, 2006, the registrant, AirTran Holdings, Inc. (NYSE:AAI), announced via press release that it has made a proposal with respect to a business combination transaction with Midwest Air Group, Inc. (ASE:MEH), the parent company of Midwest Airlines, Inc. A copy of this press release is attached as Exhibit 99.1 and is incorporated herein by reference. A copy of this press release may also be located on AirTran' s website at www.airtran.com.

On December 13, 2006, the Company held a conference call/webcast to discuss its proposal with respect to the acquisition of Midwest. A copy of the presentation utilized in such call and webcast is attached as Exhibit 99.1 and is incorporated herein by reference. A copy of the presentation may also be located on AirTran' s website at www.airtran.com.

The Company' s press release references communications and correspondence between the Company and Midwest, copies of which are attached as Exhibits 99.3 through 99.11 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	**Description**
99.1	Press Release dated December 13, 2006
99.2	Presentation from AirTran conference call/webcast on call on December 13, 2006
99.3	Letter (with enclosures) from Joseph B. Leonard to Timothy E. Hoeksema dated October 20, 2006
99.4	Letter from Joseph B. Leonard to Timothy E. Hoeksema dated October 23, 2006
99.5	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated October 25, 2006
99.6	Letter from Joseph B. Leonard to Timothy E. Hoeksema dated October 31, 2006
99.7	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated November 21, 2006
99.8	Letter from Joseph B. Leonard to Timothy E. Hoeksema dated November 22, 2006
99.9	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated November 27, 2006
99.10	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated December 6, 2006
99.11	Letter from Joseph B. Leonard to Timothy E. Hoeksema to dated December 13, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AirTran Holdings, Inc.
(Registrant)

/s/ Stanley J. Gadek

Date: December 13, 2006

Stanley J. Gadek
Senior Vice President, Finance,
Treasurer and Chief Financial Officer
(Principal Accounting and Financial Officer)

Exhibit Index

99.1	Press Release dated December 13, 2006
99.2	Presentation from AirTran conference call/webcast on call on December 13, 2006
99.3	Letter (with enclosures) from Joseph B. Leonard to Timothy E. Hoeksema dated October 20, 2006
99.4	Letter from Joseph B. Leonard to Timothy E. Hoeksema dated October 23, 2006
99.5	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated October 25, 2006
99.6	Letter from Joseph B. Leonard to Timothy E. Hoeksema dated October 31, 2006
99.7	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated November 21, 2006
99.8	Letter from Joseph B. Leonard to Timothy E. Hoeksema dated November 22, 2006
99.9	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated November 27, 2006
99.10	Letter from Timothy E. Hoeksema to Joseph B. Leonard dated December 6, 2006
99.11	Letter from Joseph B. Leonard to Timothy E. Hoeksema to dated December 13, 2006

Exhibit 99.1

AIRTRAN HOLDINGS PROPOSES MERGER WITH MIDWEST AIR GROUP

−Transaction Premium of 37% at Time of Offer−

−Plan Would Create National Low-Cost Carrier with a Broad Network, Strong Fleet Commonality and Shared Corporate Culture−

−Combination Will Provide Enhanced Growth and Security for Midwest Shareholders, Employees, Customers and Communities Served−

−More than $60 Million of Estimated Annual Synergies−

ORLANDO, Fla., December 13, 2006 – AirTran Holdings, Inc. (NYSE: AAI), the parent of AirTran Airways, announced today it has made a proposal to acquire all of the outstanding common stock of Midwest Air Group, Inc. (AMEX: MEH) for $11.25 per Midwest share in cash and AirTran stock or a total equity value of approximately $290 million. The offer represents a 37% premium to the thirty day average closing price and an 89% premium to the six months average closing price for Midwest' s common stock, prior to October 20, 2006, the date the offer was made.

The proposed merger was initially outlined in a letter from Joe Leonard, Chairman and Chief Executive Officer of AirTran Holdings, to the Midwest Board of Directors on October 20, 2006. After a series of communications between the principals and the companies' respective advisors, on December 7, 2006, Mr. Leonard was informed that the Midwest board had declined AirTran' s merger offer, determined not to consider AirTran' s proposal further and intended to remain independent. Today, Mr. Leonard sent a letter to the Midwest board advising them that AirTran would continue to pursue a merger with Midwest because it believes the proposed combination offers substantial and compelling benefits to the constituents of both Midwest Airlines and AirTran Airways. (Both letters are attached below.)

The combination of AirTran Airways and Midwest Airlines would create a truly national low cost airline with pro forma revenue of approximately $3.0 billion in 2007. AirTran believes that both companies would benefit from this merger by building greater scale, efficiencies and growth opportunities to better succeed in the face of an increasingly competitive airline environment.

Because the network routes of the two carriers are complementary with limited overlap, the combined company would have a national footprint and result in an airline with approximately 1,036 daily departures with 173 unique markets between 74 cities across the United States. The combination of the companies creates a strong growth platform and allows the addition of new cities−more than 30 new non-stop routes and well over 150 additional departures over the next several years.

AirTran Airways expects that the merger will generate more than $60 million in estimated annual synergies, including $40+ million in network synergies and $20+ million in cost synergies. The Company expects the transaction would be accretive to earnings by the end of the first full year following the close of the transaction and significantly accretive thereafter.

Mr. Leonard stated, “As the airline industry becomes more competitive and consolidations are more commonplace, a combination of our two companies ensures the best opportunity for serving our respective constituencies. With our similar cultures, compatible low-cost business models, complementary networks, and fleet commonality, Midwest Airlines and AirTran Airways are as close to a perfect fit as anyone can imagine.

“By joining together, we can deepen our presence in our hubs, expedite the expansion of our network, and strengthen our long-term growth and profitability potential. This will enhance our ability to provide value to travelers, protect the long-term security of our employees and generate significant economic benefits to Milwaukee, Atlanta and all the communities we serve.

“Finally, but certainly not less important, we have the utmost respect for Midwest, its talented employees and the strong loyalty they have built among travelers and the communities they serve. We, at AirTran Airways, have a similar affinity with our constituents, and, in that spirit, we believe that once combined, we can maintain and foster the values and culture that have driven the success of both our airlines. We have full confidence that our commonality will enable us to successfully integrate our two airlines to form a stronger, truly national low-cost airline that will offer Midwest’ s constituencies growth opportunities that far exceed what could be achieved independently,” Mr. Leonard concluded.

Below is the letter that AirTran Holdings sent to Midwest’ s Board of Directors on December 13, 2006, following the Board’ s rejection of the AirTran Holdings proposal:

December 13, 2006

Board of Directors
c/o Mr. Timothy E. Hoeksema
Chairman, CEO and President
Midwest Air Group Inc
6744 South Howell Avenue
Oak Creek, WI 53154

Dear Members of the Board:

As you know from prior conversations and written communications between our companies, we believe that a strategic merger between Midwest Air Group, Inc. and AirTran Holdings, Inc. would serve the best interests of our respective shareholders, customers, employees and communities and better position the combined company to compete against our larger rivals.

We have been trying to privately negotiate a merger between our separate companies for some time. More than a year ago, you declined our initial proposal to acquire Midwest Air Group and you have had our proposal of October 20, 2006 for more than seven weeks. Yet, despite our efforts, and without the benefit of directly discussing with us or our advisors the proposal in detail, our offer was declined on December 7, 2006. Because we believe that the proposal is such a compelling opportunity and offers such significant benefits to your constituents, we feel obligated to make this proposal known and are therefore making public this letter and the supporting financial analysis.

Let me recap the benefits our proposal provides. First, we are proposing to acquire all of the outstanding shares of Midwest Common Stock for $11.25 per share in cash and AirTran stock. This offer is a full and generous price based upon publicly available information. It represents a 37% premium to the thirty day average closing price and an 89% premium to the six months average closing price for Midwest' s common stock, prior to October 20, 2006, the date the offer was made to you. Our proposed transaction not only provides Midwest stockholders an immediate premium on their investment, but the opportunity to participate in the future growth of an airline that will possess extraordinary attributes, including an outstanding product for travelers and a highly motivated employee base.

As I said above, despite the fact that we believe that our offer is very attractive from a financial point of view, we would welcome the opportunity to consider non-public information concerning Midwest and are prepared to sit down and enter into serious discussions and, following that, consider in our offer any enhanced values that may be demonstrated. We are also willing to afford representatives of Midwest the opportunity to review non-public information about AirTran Airways and are prepared to enter into an appropriate confidentiality agreement to that end.

Aside from the financial aspects of our offer there are other benefits that a merger of our two companies will provide. Specifically, a combined AirTran Airways and Midwest Airlines:

- Creates a low fare carrier with greater scale and substantial fleet commonality that is better positioned to face the pressures of an increasingly competitive domestic airline environment, including the near certainty of industry consolidation.
- Generates greater efficiencies for both companies, with unit cost for the combined carrier, on a non-fuel basis and stage length adjust basis, 12% lower than current Midwest levels.
- Offers Midwest a larger, more modern fleet with enhanced prospects of long-term revenue and profit growth.
- Combines complementary route networks with limited overlap to form a stronger, more efficient airline with 1,036 daily departures with 173 unique nonstop markets between 74 cities across the U.S.
- Increases the growth potential of both companies through the expansion of the Milwaukee hub, building Kansas City into a focus city and continued expansion of the Atlanta hub both into markets served by Midwest and with the addition of new cities.
- Generates estimated synergies of more than $60 million per year.
- Improves job security for both companies' employees, offering a merger partner with a strong commitment to continuing the employment of employees of both companies with increased employment, traffic and taxable revenue expected in key cities like Milwaukee, Kansas City, Atlanta and Orlando.
- Brings together compatible, entrepreneurial cultures rooted in consumer value, efficiency and cost consciousness.

We have the utmost respect for Midwest Airlines, its talented employees and the strong loyalty they have built among travelers, and, certainly, the excellent relationship the company has within the communities it serves. We, at AirTran, have a similar affinity with our constituents, and, in that spirit, we believe that once combined, we can maintain and foster the values and culture that have driven the success of both our airlines. We have full confidence that our commonality will enable us to successfully integrate our two airlines to form a stronger, truly national low-cost airline that will offer Midwest' s constituencies growth opportunities that far exceed what could be achieved independently.

We are confident that there will not be any regulatory, financing or other obstacles to the timely consummation of this transaction and that the natural synergies will allow us to execute the transaction efficiently putting us in a strong competitive position from day one. While this matter is under discussion, we would ask that the Company not take any action that may diminish the value of a combined company, such as entering into a purchase agreement to acquire new or additional aircraft.

In conclusion, we believe AirTran Airways and Midwest Airlines will be much stronger as a combined force than either are as independent entities and that together we can provide substantial value to our respective shareholders, employees, customers and the communities in which we operate. We hope that you will reconsider our offer and enter into negotiations with us to effect a definitive merger agreement.

Very truly yours,

Joseph B. Leonard
Chairman and
Chief Executive Officer

The AirTran Holdings proposal is conditioned upon customary due diligence, which the company believe can be completed in a timely manner, as well as regulatory and shareholder approval. AirTran believes the transaction can be completed by the end of the first quarter 2007.

Morgan Stanley and Credit Suisse are serving as financial advisors to AirTran Holdings and Smith, Gambrell & Russell, LLP are serving as legal advisors. Innisfree M&A Incorporated is serving as information agent.

AirTran executives will be discussing the proposal on a conference call with the investment community at 9:00 am ET/8:00 am CT today December 13, 2006. To access the conference call, please dial (800) 632-2975, pass code 8226379 or go to http://investor.airtran.com. A replay of the call will be available on the AirTran Airways website.

Below is the October 20, 2006 letter that AirTran Holdings sent to Midwest’ s Board of Directors initially outlining its proposal:

October 20, 2006

Board of Directors
c/o Mr. Timothy E. Hoeksema
Chairman, CEO and President
Midwest Air Group Inc
6744 South Howell Avenue
Oak Creek, WI 53154

Dear Sirs:

AirTran Holdings, Inc. (“AirTran”) is interested in acquiring all of the outstanding shares of Midwest Air Group, Inc. (“Midwest” or the “Company”) for a consideration, consisting of cash and AirTran common stock, valued at $11.25 per share of Midwest Common Stock. This represents a 37% premium over the average closing price over the last thirty days of Midwest Common Stock. AirTran has reviewed Midwest’ s publicly available documents and is prepared to immediately negotiate and enter into a merger agreement providing for a merger with Midwest subject to minimal confirmatory due diligence. We are confident there will not be any regulatory, financing or other obstacles to the consummation of this transaction.

We believe that our proposal is both fair and generous to Midwest stockholders and offers them an opportunity to realize extraordinary value for their shares. Additionally, we believe such a merger would be beneficial to and in the interest, both near and long term, of Midwest’ s other stakeholders as well, including the Company, its employees, and the City of Milwaukee. Midwest will benefit from the creation of a larger and more modern fleet with enhanced prospects of long-term revenue and profit growth. We believe that a combined carrier, with greater scale and substantial fleet commonality, will be better prepared to face the pressures of an increasingly competitive domestic airline environment, including the near certainty of industry consolidation. The creation of a stronger carrier will also offer Midwest’ s employees a more secure future with new opportunities for advancement and training on modern equipment. Milwaukee will continue to serve as a key hub for the combined company, and region as a whole will benefit from the increased level of connecting service to smaller cities around the state. With this increased level of traffic in and out of Milwaukee, jobs should be created and tax revenues to the City and state are likely to increase.

Accordingly, we believe that we would well serve our respective shareholders by exploring a potential merger between our companies. We also believe that this can be done in an expeditious fashion so as to avoid unnecessary disruption to Midwest’ s employees, customers and businesses.

It is our strong desire to enter into a friendly, negotiated merger agreement. We are, therefore, prepared to meet with you or your representatives to discuss these considerations further and to answer any questions concerning AirTran and this proposal. While this matter is under discussion, we would ask that the Company not take any action that may diminish the value of a combined company, such as entering into a purchase agreement to acquire new or additional aircraft. At this time, we do not intend to make this letter public to your shareholders.

AirTran is working with Morgan Stanley and Credit Suisse as its financial advisors for this transaction. As you can appreciate, with a proposal of this kind, time is of the essence. We hope that you will give our proposal prompt consideration.

Very truly yours,

Joseph B. Leonard
Chairman and
Chief Executive Officer

About AirTran Airways

AirTran Airways, a Fortune 1000 company and one of America' s largest low-fare airlines with 8,000 friendly, professional Crew Members, operates nearly 700 daily flights to 52 destinations. The airline' s hub is at Hartsfield-Jackson Atlanta International Airport, where it is the second largest carrier. AirTran Airways' aircraft features the fuel-efficient Boeing 737-700 and 717-200 to create America' s youngest all-Boeing fleet. The airline is also the first carrier to install XM Satellite Radio on a commercial aircraft and the only airline with Business Class and XM Satellite Radio on every flight. For reservations or more information, visit http://www.airtran.com/ (America Online Keyword: AirTran).

Forward Looking Information

Certain of the statements contained herein should be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may, " "will, " "expect, " "intend," "indicate," "anticipate," "believe," "forecast," "estimate," "plan, " "guidance," "outlook," "could, " "should," "continue" and similar terms used in connection with statements regarding the outlook of AirTran Holdings, Inc., (the "Company"). Such statements include, but are not limited to, statements about expected fuel costs, the revenue and pricing environment, the Company' s expected financial performance and operations, future financing plans and needs, overall economic conditions and the benefits of the business combination transaction involving Midwest Air Group, Inc. ("Midwest") and the Company, including future financial and operating results and the combined companies' plans, objectives, expectations and intentions. Other forward-looking statements that do not relate solely to historical facts include, without limitation, statements that discuss the possible future effects of current known trends or uncertainties or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. Such statements are based upon the current beliefs and expectations of the Company' s management and are subject to significant risks and uncertainties that could cause the Company' s actual results and financial position to differ materially from the Company' s expectations. Such risks and uncertainties include, but are not limited to, the following: the Company' s ability to achieve the synergies anticipated as a result of the potential business combination transaction involving Midwest and to achieve those synergies in a timely manner; the Company' s ability to integrate the management, operations and labor groups of the Company and Midwest; the impact of high fuel costs; significant disruptions in the supply of aircraft fuel and further significant increases to fuel prices; the Company' s ability to attract and retain qualified personnel; labor costs and relations with unionized employees generally and the impact and outcome of labor negotiations; the impact of global instability, including the current instability in the Middle East, the continuing impact of the U.S. military presence in Iraq and Afghanistan and the terrorist attacks of September 11, 2001 and the potential impact of future hostilities, terrorist attacks, infectious disease outbreaks or other global events that affect travel behavior; adequacy of insurance coverage; reliance on automated systems and the potential impact of any failure or disruption of these systems; the potential impact of future significant operating losses; the Company' s ability to obtain and maintain commercially reasonable terms with vendors and service providers and its reliance on those vendors and service providers; security-related and insurance costs; changes in government legislation and regulation; the Company' s ability to use pre-merger NOLs and certain tax attributes; competitive practices in the industry, including significant fare restructuring activities, capacity reductions and in-court or out-of-court restructuring by major airlines and industry consolidation; interruptions or disruptions in service at one or more of the Company' s hub airports; weather conditions; the impact of fleet concentration and increased maintenance costs as aircraft age and utilization increases; the Company' s ability to maintain adequate liquidity; the Company' s ability to maintain contracts that are critical to its operations; the Company' s fixed obligations and its ability to obtain and maintain financing for operations, aircraft financing and other purposes; changes in prevailing interest rates; the Company' s ability to operate pursuant to the terms of its financing facilities (particularly the financial covenants); the Company' s ability to attract and retain customers; the cyclical nature of the airline industry; economic conditions; and other risks and uncertainties listed from time to time in the Company' s reports to the Securities and Exchange Commission. There may be other factors not identified above of which the Company is not currently aware that may affect matters discussed in the forward-looking statements, and may also cause actual results to differ materially from those discussed. All forward-looking statements are based on information currently available to the Company. The Company assumes no obligation to publicly update or revise any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting such estimates. Additional factors that may affect the future results of the Company are set forth in the section entitled "Risk Factors" in the Company' s Annual Report on Form 10-K/A for the period ended December 31, 2005, which is available at www.sec.gov and at www.airtran.com.

Additional Information

Subject to future developments, AirTran may file with the United States Securities and Exchange Commission a registration statement to register the AirTran shares which would be issued in the proposed transaction and/or a proxy statement with respect to the proposed transaction. Investors and security holders are urged to read the registration statement and/or proxy statement (when and if available) and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. Investors and security holders may obtain a free copy of the registration statement and/or proxy statement (when and if available) at www.sec.gov. The registration statement and/or proxy statement (when and if available) and such other documents may also be obtained free of charge from AirTran by directing such request to: Richard P. Magurno, Corporate Secretary, AirTran Holdings, Inc., 9955 AirTran Boulevard, Orlando, Florida 32827.

# # #

Exhibit 99.2

Investor Presentation

December 13, 2006

Safe Harbor Disclosure

Forward Looking Information

Certain of the statements contained herein should be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "indicate," "anticipate," "believe," "forecast," "estimate," "plan," "guidance," "outlook," "could," "should," "continue" and similar terms used in connection with statements regarding the outlook of AirTran Holdings, Inc., (the "Company"). Such statements include, but are not limited to, statements about expected fuel costs, the revenue and pricing environment, the Company's expected financial performance and operations, future financing plans and needs, overall economic conditions and the benefits of the business combination transaction involving Midwest Air Group, Inc. ("Midwest") and the Company, including future financial and operating results and the combined companies' plans, objectives, expectations and intentions. Other forward-looking statements that do not relate solely to historical facts include, without limitation, statements that discuss the possible future effects of current known trends or uncertainties or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. Such statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties that could cause the Company's actual results and financial position to differ materially from the Company's expectations. Such risks and uncertainties include, but are not limited to, the following: the Company's ability to achieve the synergies anticipated as a result of the potential business combination transaction involving Midwest and to achieve those synergies in a timely manner; the Company's ability to integrate the management, operations and labor groups of the Company and Midwest; the impact of high fuel costs; significant disruptions in the supply of aircraft fuel and further significant increases to fuel prices; the Company's ability to attract and retain qualified personnel; labor costs and relations with unionized employees generally and the impact and outcome of labor negotiations; the impact of global instability, including the current instability in the Middle East, the continuing impact of the U.S. military presence in Iraq and Afghanistan and the terrorist attacks of September 11, 2001 and the potential impact of future hostilities, terrorist attacks, infectious disease outbreaks or other global events that affect travel behavior; adequacy of insurance coverage; reliance on automated systems and the potential impact of any failure or disruption of these systems; the potential impact of future significant operating losses; the Company's ability to obtain and maintain commercially reasonable terms with vendors and service providers and its reliance on those vendors and service providers; security-related and insurance costs; changes in government legislation and regulation; the Company's ability to use pre-merger NOLs and certain tax attributes; competitive practices in the industry, including significant fare restructuring activities, capacity reductions and in-court or out-of-court restructuring by major airlines and industry consolidation; interruptions or disruptions in service at one or more of the Company's hub airports; weather conditions; the impact of fleet concentration and increased maintenance costs as aircraft age and utilization increases; the Company's ability to maintain adequate liquidity; the Company's ability to maintain contracts that are critical to its operations; the Company's fixed obligations and its ability to obtain and maintain financing for operations, aircraft financing and other purposes; changes in prevailing interest rates; the Company's ability to operate pursuant to the terms of its financing facilities (particularly the financial covenants); the Company's ability to attract and retain customers; the cyclical nature of the airline industry; economic conditions; and other risks and uncertainties listed from time to time in the Company's reports to the Securities and Exchange Commission. There may be other factors not identified above of which the Company is not currently aware that may affect matters discussed in the forward-looking statements, and may also cause actual results to differ materially from those discussed. All forward-looking statements are based on information currently available to the Company. The Company assumes no obligation to publicly update or revise any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting such estimates. Additional factors that may affect the future results of the Company are set forth in the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K/A for the period ended December 31, 2005, which is available at www.sec.gov and at www.airtran.com.

Additional Information

Subject to future developments, AirTran may file with the United States Securities and Exchange Commission a registration statement to register the AirTran shares which would be issued in the proposed transaction and/or a proxy statement with respect to the proposed transaction. Investors and security holders are urged to read the registration statement and/or proxy statement (when and if available) and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they will contain important information. Investors and security holders may obtain a free copy of the registration statement and/or proxy statement when filed at www.sec.gov. The registration statement and/or proxy statement (when and if available) and such other documents may also be obtained free of charge from AirTran by directing such request to: Richard P. Magurno, Corporate Secretary, AirTran Holdings, Inc., 9955 AirTran Boulevard, Orlando, Florida 32827.

airTran.com

AirTran and Midwest

- AirTran has proposed to acquire Midwest Air Group at $11.25/share
  - Potential for increased value
  - Requesting Midwest Board approval for confirmatory due diligence

- Significant benefits exist for all stakeholders
  - Midwest shareholders receive a significant premium
  - Employees benefit from improved growth opportunities and additional job security
  - Customers of both companies benefit from a truly national low cost airline
  - Communities benefit from increased jobs and additional flights

- Strong similarities between the companies would create over $60MM in incremental synergies
  - Common fleet/Complementary route networks
  - Entrepreneurial focus

Transaction Overview

■ Offer Price:	$11.25 per share
■ Consideration:	A mix of cash & stock
■ Premium[1] to 30 Day Avg. / 6 Mo. Avg.:	37% / 89%
■ Conditions:	Confirmatory due diligence Regulatory approval Midwest shareholder vote
■ Expected Closing:	1Q 2007
■ Financial Impact to AirTran:	Accretive at end of first full year; significantly accretive thereafter
■ Financial Advisors:	Morgan Stanley, Credit Suisse

Potential for higher value after opportunity to discuss transaction benefits with Midwest

(1) Premiums as of the date of original offer, October 20, 2006

Powerful Strategic Rationale

Network

- Complementary route networks with limited overlap
- Combine AirTran's strong East Coast network with Midwest's hubs in Milwaukee and Kansas City
- Improved scale in consolidating industry with improved incremental growth opportunities

Fleet

- 717 fleet commonality creates significant and unique cost synergies
- Ability to upgrade Midwest's MD-80 fleet with AirTran's new, more fuel efficient 737-700s
- Additional 737 deliveries create growth opportunities

Financial

- Over $60MM of annual run-rate synergies
  - Does not include impact of greater city presence
- EPS accretive in first full year after the acquisition
- Financial strength provides growth potential and job security

AirTran.com

Combining Two Strong Airlines

	AirTran Airways	Midwest Air Group
Primary Hub	Atlanta Hartsfield-Jackson International Airport	Milwaukee General Mitchell International Airport
Smaller Hubs / Focus Cities	Baltimore-Washington, Boston, Orlando, Chicago-Midway	Kansas City
Fleet at Year End	87 Boeing 717-200s 40 Boeing 737-700s 60 Boeing 737 deliveries	25 Boeing 717-200s 11 MD-80s Regional Jets 2 MD-80 deliveries
2006E Revenue	$1.9 B	$0.7 B
Current Mkt. Capitalization	$1.2 B	$0.2 B

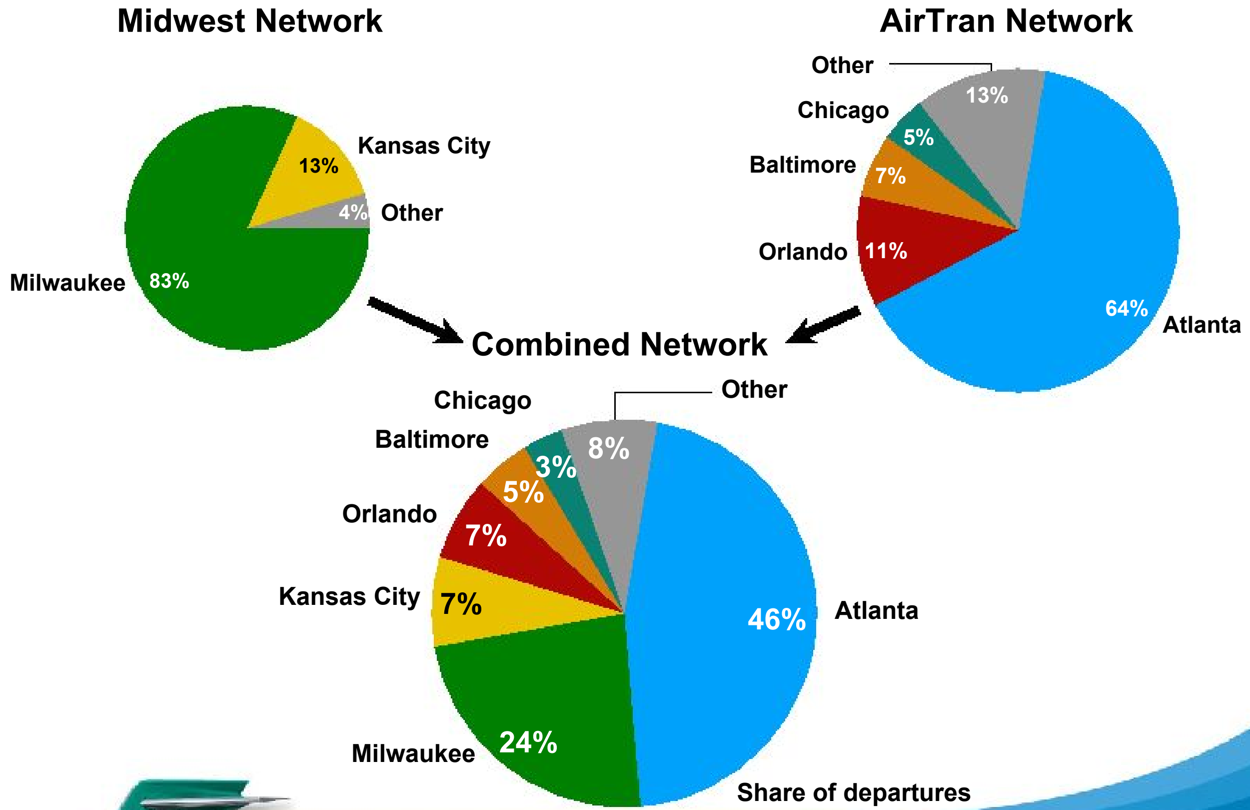
Transaction Rationale

Compelling Transaction Rationale

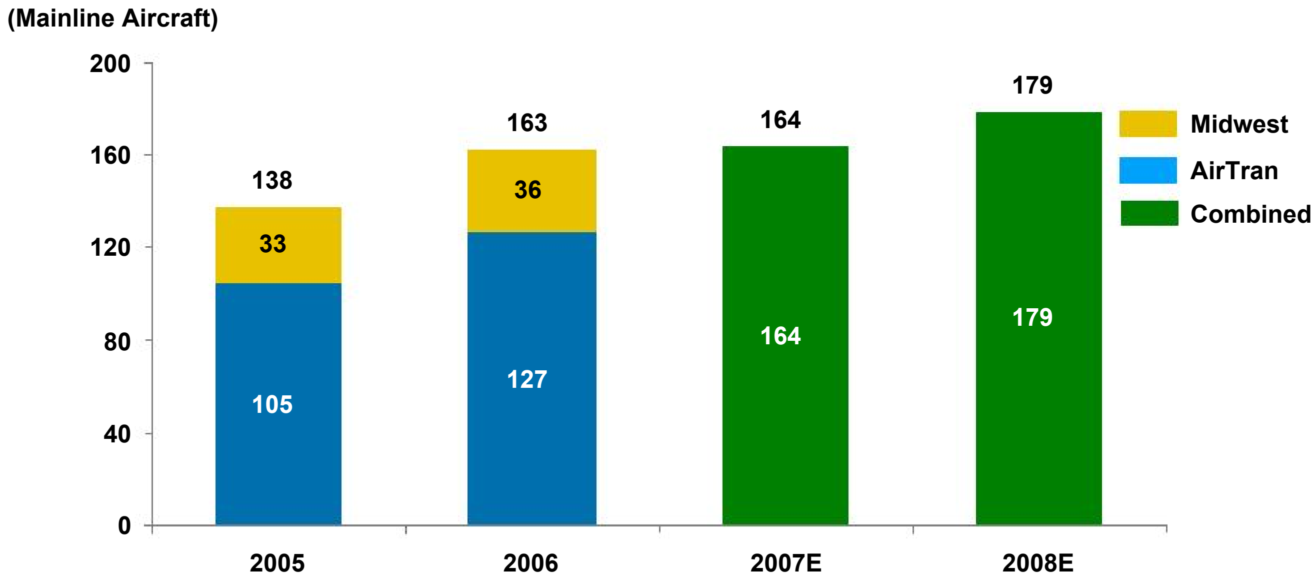
- Combined airlines will create a stronger and more flexible competitor in a challenging industry environment
  - Upper Midwest hub complements AirTran's East Coast presence
  - Combined network strengthens position in key markets
  - Amid industry consolidation, scale will provide competitive advantage
- Significant benefits for all Midwest constituents
  - Shareholders receive significant premium
  - Employees realize increased growth opportunities and job security
  - Customers gain access to extended flight network
  - Communities benefit from increased jobs and presence of larger carrier
- Opportunity for numerous revenue and cost synergies
  - $60MM+ run-rate per annum

AirTran.com

Merger Creates Instant Diversification

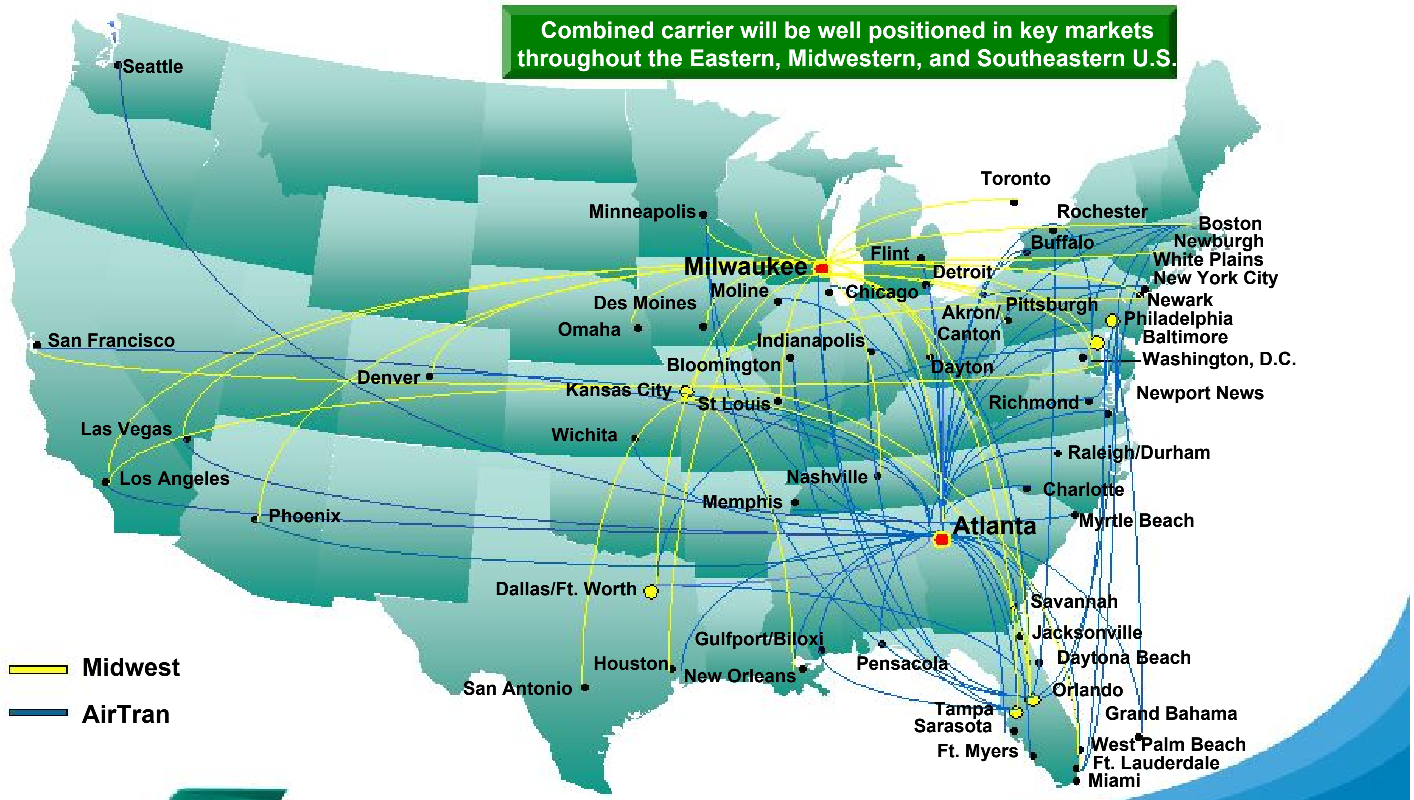


737s Will Provide Growth and Improve Efficiency

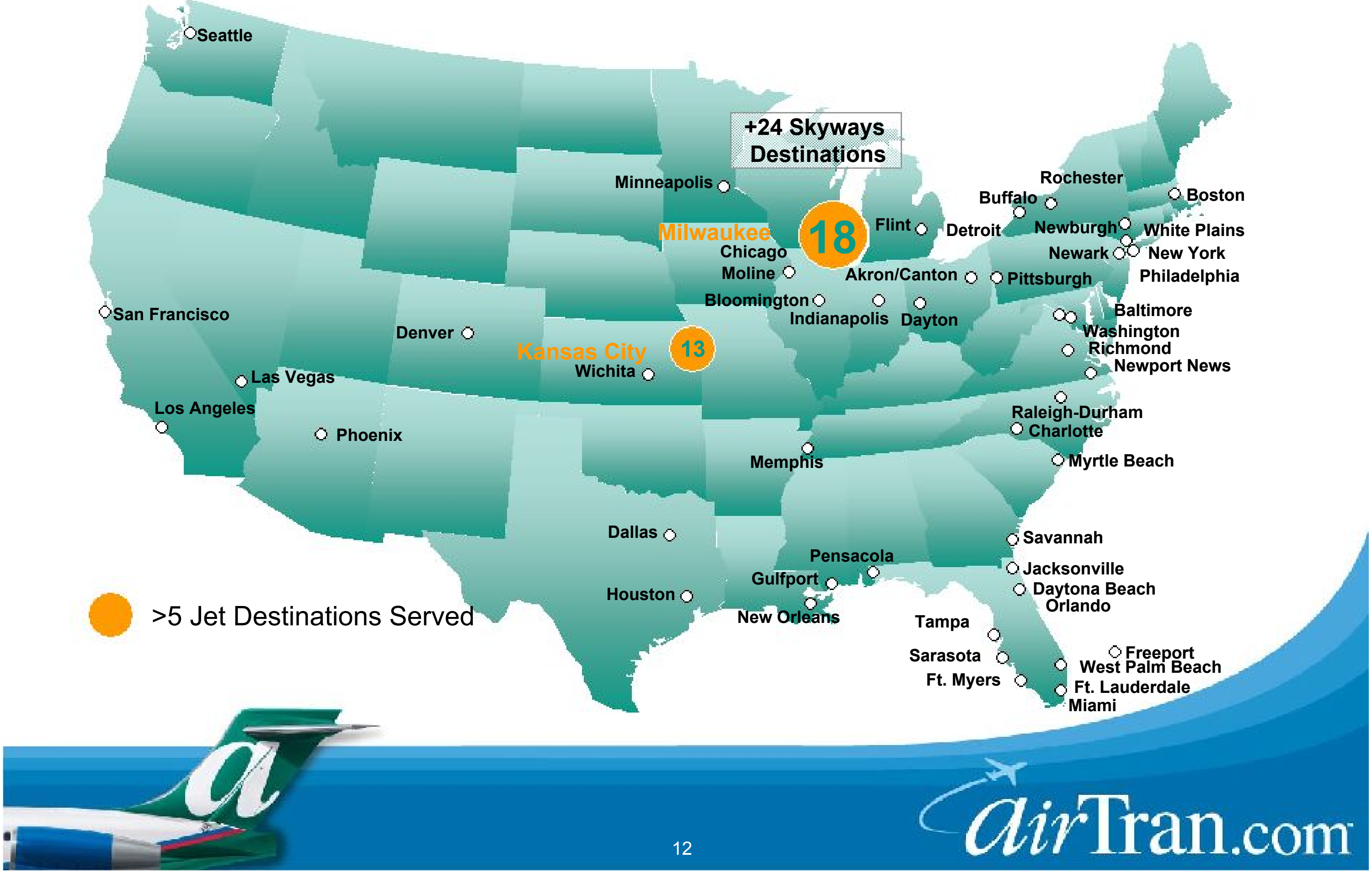


Combined carriers have fleet synergies, AirTran deliveries replace MD-80s with fuel efficient 737s

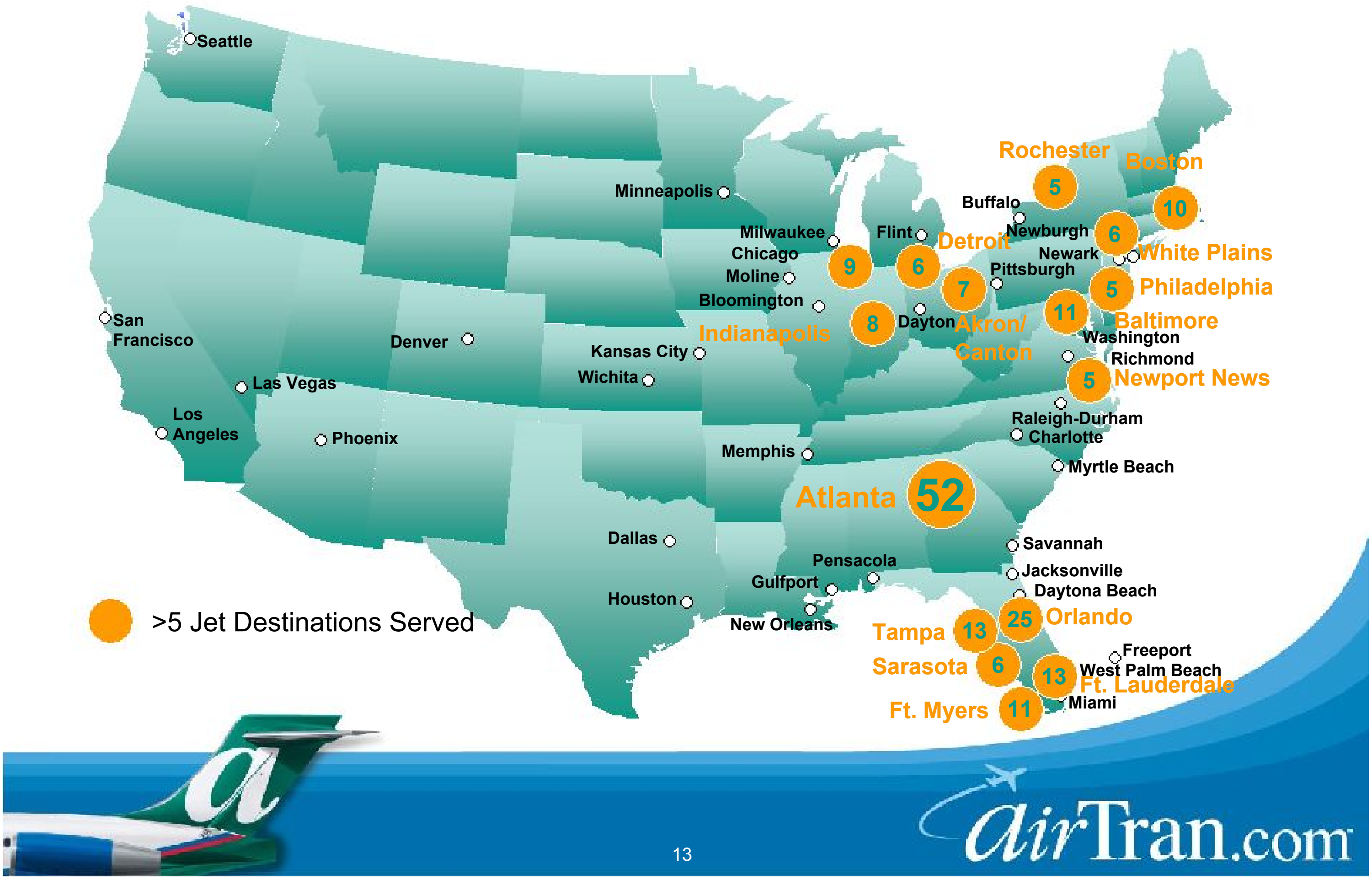
Complementary Route Networks



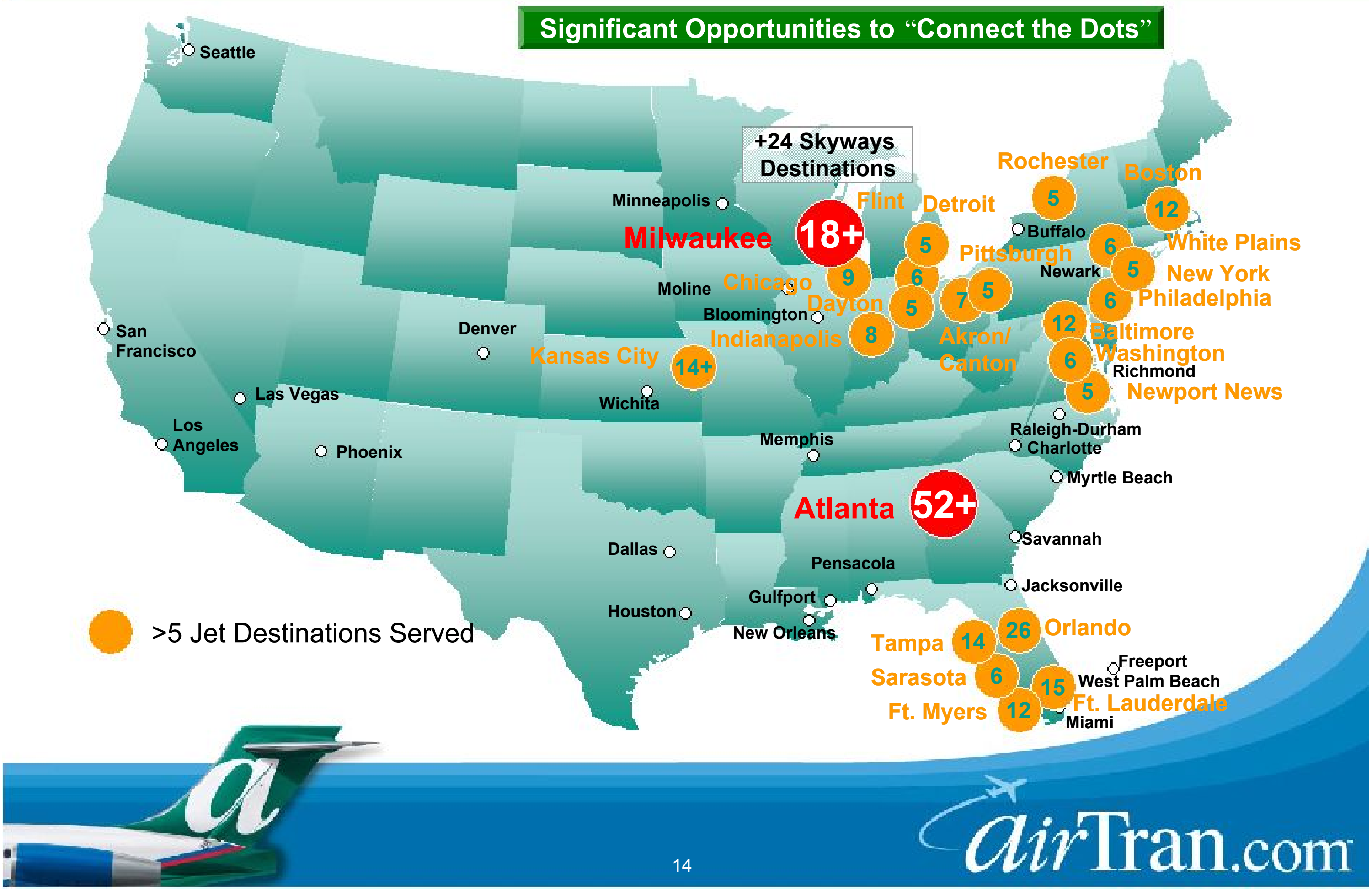
Midwest Airlines City Presence



AirTran City Presence



Combined Network Improves City Presence



Combination Creates Strength in Key Markets

- More low fare flights to more cities

- Multiple low fare hubs will allow better service to the entire U.S.
  - Atlanta and Baltimore: North-South
  - Milwaukee, Kansas City, and Chicago: East-West

- Larger frequent flyer program throughout the U.S.

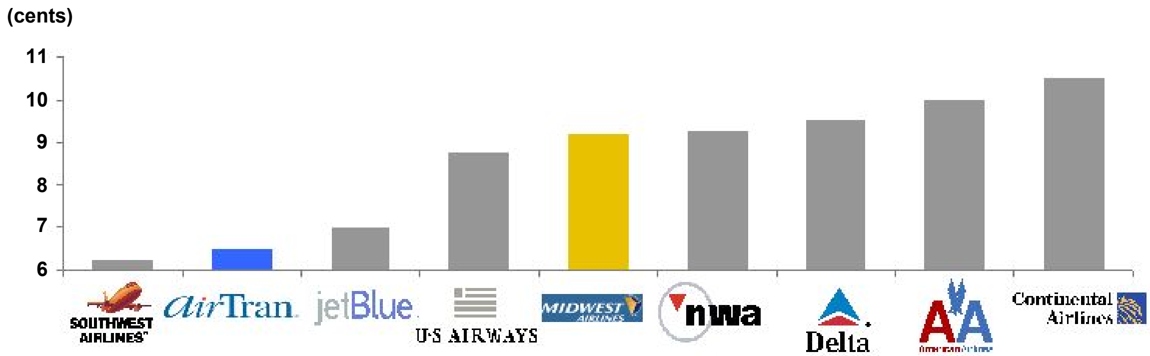
airTran.com

Successful Growth Airlines Require Both Low Costs and a Superior product

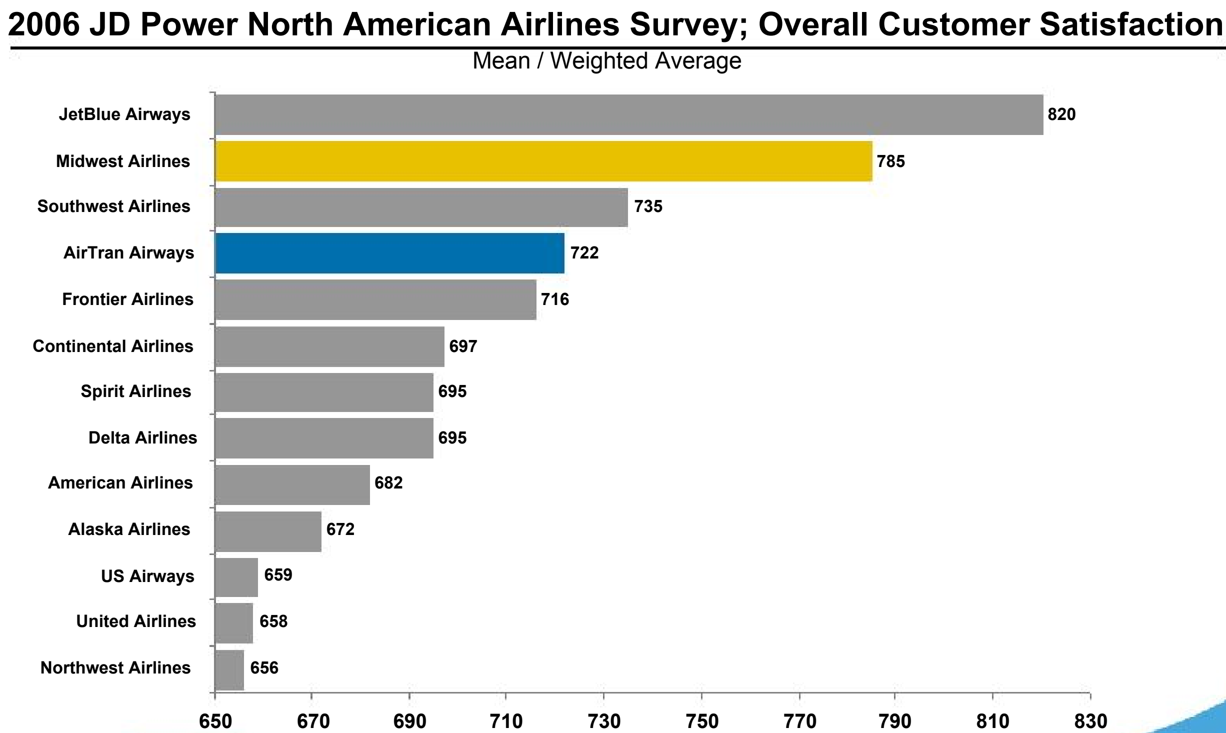
- AirTran has industry-leading cost structure and an award winning product
  - XM Radio and only major airline with business class on every flight
- Combined airline would be well positioned
  - Low costs, strong product, with improved access to capital for growth

Industry Cost Comparison

Non-Fuel Unit Costs at 649 Miles for 1H 2006



JD Power Survey Validates Strong Products



airTran.com

Potential Combination Synergies

Network Synergies	$40MM+
▪ Improve fleet and capacity utilization	
▪ Increase aircraft utilization	
Cost Synergies	$20MM+
▪ Replace MD-80s with cost efficient 737s	
▪ Maintenance & facilities efficiencies	
▪ Adapt best practices from both companies	
Total Annual Run-Rate Synergies	**$60MM+**
Excludes additional benefits of greater city presence	

- **Many of these opportunities could be lost if Midwest Air Group delays and continues MD-80/Regional Jet fleet renewal**
- **Potential for higher value after opportunity to discuss transaction benefits with Midwest**

airTran.com

Benefits to All Midwest and AirTran Stakeholders

Shareholders

- Significant premium
- Stronger network and lower costs improve profit potential

Employees

- Employees enjoy benefits of a stronger combined company
  - AirTran has hired over 2,000 new employees in the last three years
  - Growth creates more advancement opportunities and improved job security

Customers & Communities

- AirTran plans to continue to expand hubs in Milwaukee and Atlanta
  - Additional routes and flights will benefit local economies
  - Continued commitment to the state and local communities
  - Midwest customers can expect continued service from Midwest Connect

Integration

Integration Considerations

- Expect a Rapid Integration Schedule (12 months)
  - Operations
    - Fleet commonality is high
    - Complementary airport facilities
    - Use strong relationship to work closely with FAA on operational integration
  - Employees
    - Continued growth opportunities for labor
  - Product
    - Create consistent product offerings across fleets and routes
    - Adapt to the strengths of each airline

Service Offering

- Continue emphasis on a superior product at a reasonable price
  - Aspects of Midwest "Signature" brand will be integrated into the combined carrier
  - Best practices approach to product and service

- Continued emphasis on key routes in Milwaukee and Kansas City hub networks
  - Larger fleet will allow more flights and more destinations
  - Growth to existing markets in the AirTran network

- Midwest Connect regional service will be maintained

airTran.com

Roadmap to Completion

- Upon invitation by Midwest Board, AirTran to commence confirmatory due diligence immediately
- Complete confirmatory due diligence in December
- AirTran and Midwest sign merger agreement by end of December /early January
- File Hart-Scott-Rodino with the Department of Justice
- Midwest shareholder vote in 1Q 2007
- Transaction expected to close in 1Q 2007

Conclusion

Summary

- Opportunity to create a stronger combined competitor
  - A truly national low cost carrier with complementary hubs
  - Well positioned for future growth opportunities
- Significant value to all Midwest stakeholders
  - Shareholders receive significant premium and improved profit potential
  - Employees benefit from improved growth opportunities and increased job security
  - Customers of both companies benefit from additional markets served and increased capacity in key markets
  - Communities benefit from increased jobs and flight frequency
- Over $60MM in annual combination benefits
  - Common fleet/Complementary route networks
  - Opportunities to develop additional cost and revenue synergies
- Value enhancing transaction for all shareholders

airTran.com

Joseph Leonard
Chairman & CEO

Exhibit 99.3

October 20, 2006

Board of Directors
c/o Mr. Timothy E. Hoeksema
Chairman, CEO and President
Midwest Air Group Inc
6744 South Howell Avenue
Oak Creek, WI 53154

Dear Sirs:

AirTran Holdings, Inc. (“AirTran”) is interested in acquiring all of the outstanding shares of Midwest Air Group, Inc. (“Midwest” or the “Company”) for a consideration, consisting of cash and AirTran common stock, valued at $11.25 per share of Midwest Common Stock. This represents a 37% premium over the average closing price over the last thirty days of Midwest Common Stock. AirTran has reviewed Midwest’ s publicly available documents and is prepared to immediately negotiate and enter into a merger agreement providing for a merger with Midwest subject to minimal confirmatory due diligence. We are confident there will not be any regulatory, financing or other obstacles to the consummation of this transaction.

We believe that our proposal is both fair and generous to Midwest stockholders and offers them an opportunity to realize extraordinary value for their shares. Additionally, we believe such a merger would be beneficial to and in the interest, both near and long term, of Midwest’ s other stakeholders as well, including the Company, its employees, and the City of Milwaukee. Midwest will benefit from the creation of a larger and more modern fleet with enhanced prospects of long-term revenue and profit growth. We believe that a combined carrier, with greater scale and substantial fleet commonality, will be better prepared to face the pressures of an increasingly competitive domestic airline environment, including the near certainty of industry consolidation. The creation of a stronger carrier will also offer Midwest’ s employees a more secure future with new opportunities for advancement and training on modern equipment. Milwaukee will continue to serve as a key hub for the combined company, and region as a whole will benefit from the increased level of connecting service to smaller cities around the state. With this increased level of traffic in and out of Milwaukee, jobs should be created and tax revenues to the City and state are likely to increase.

Accordingly, we believe that we would well serve our respective shareholders by exploring a potential merger between our companies. We also believe that this can be done in an expeditious fashion so as to avoid unnecessary disruption to Midwest’ s employees, customers and businesses.

AirTran Airways *9955 AirTran Boulevard Orlando, FL 32827 Phone 407.251.5600 Fax 407.251-57*

It is our strong desire to enter into a friendly, negotiated merger agreement. We are, therefore, prepared to meet with you or your representatives to discuss these considerations further and to answer any questions concerning AirTran and this proposal. While this matter is under discussion, we would ask that the Company not take any action that may diminish the value of a combined company, such as entering into a purchase agreement to acquire new or additional aircraft. At this time, we do not intend to make this letter public to your shareholders.

AirTran is working with Morgan Stanley and Credit Suisse as its financial advisors for this transaction. As you can appreciate, with a proposal of this kind, time is of the essence. We hope that you will give our proposal prompt consideration.

Very truly yours,

/s/ Joseph B. Leonard

Joseph B. Leonard
Chairman and
Chief Executive Officer

Summary of Proposal

Price:	$11.25/share
Premium:	24% to 52-week high
	37% to average closing price over the last 30 days
	Nearly 5x 52-week low
Consideration:	A mix of AirTran stock and cash Possibility of tax-free treatment
Conditions to Sign:	Minimal confirmatory due diligence including: Business due diligence Collateral evaluation Negotiated merger agreement AirTran and Midwest board approval
Timing:	Preliminary response from Midwest by early November Seek to announce transaction by the end of November Closing in the first quarter of 2007

AirTran Airways-Midwest Airlines Merger Benefits Analysis

October 2006

AirTran Airways initiated a comprehensive review of the potential for a merger of AirTran and Midwest Airlines; the study includes a review of current performance and industry economics and trends, stand alone vulnerabilities and a detailed plan and forecast of the combined synergies of AirTran and Midwest. This paper is based on publicly available data and represents our analysis and interpretation of that data.

Both AirTran Airways and Midwest face numerous challenges to continued growth and success. Earning cost of capital is among the most significant challenges, made more difficult since 9/11 and compounded by hostile competition from newly restructured legacy carriers and the aggressive expansion of Southwest Airlines. Preparing for renewed and continuing competition and building a stronger foundation for both carriers is critically important.

AirTran Airways Overview

AirTran Airways, a subsidiary of AirTran Holdings, Inc. (AAI), is an Orlando based low cost, passenger airline with principle hub operations at Atlanta' s Hartsfield-Jackson International Airport. AirTran offers more than 650 flights a day to 50 cities in the U.S. and Bahamas in a dual class (business / coach) configuration utilizing all new Boeing 717-200 and 737-700 aircraft. As of September 2006, AirTran operates 120 aircraft (87 B717' s and 33 B737' s) and has the youngest all-Boeing fleet in the U.S. with firm orders for an additional 67 Boeing 737' s. AirTran Airways is the second largest carrier behind Delta at Atlanta with over 235 daily jet departures, nearly double the number of just five years ago. AirTran operates smaller hubs or focus cities at Baltimore-Washington Int' l (second largest carrier behind Southwest Airlines at BWI), Philadelphia, Orlando and Chicago-Midway.

AirTran Airways carried more than 16.5 million passengers in 2005, with revenues exceeding $1.4 billion and produced its seventh consecutive profitable year. In 2005 AirTran Airways grew by 28% and increased unit revenue by more than 8%; strong performance continued through the first half of 2006 with revenue up 38% on 23% more capacity. AirTran is the 11th largest U.S. airline. The company currently has about 7,800 employees (FTE' s). Pilots are represented by the National Pilots Association, an in-house union; Flight Attendants are represented by AFA; Mechanics are represented by the International Brotherhood of Teamsters (IBT), other smaller work groups are represented by the Transport Workers Union. Customer service, ramp and reservations sales agents have repeatedly voted down representation attempts over the past five years.

Midwest Airlines Overview

Midwest Airlines, a subsidiary of Midwest Air Group, Inc. (MEH), is an Oak Creek, WI, based airline with principle operations at Milwaukee' s General Mitchell International Airport, where it is the largest carrier, and Kansas City International Airport. Midwest Airlines has two product offerings; Signature Service, its traditional single class, premium service catering to business travelers, and Saver Service, a new leisure oriented, single class service in seven high volume cities. Both are offered in conjunction with Midwest Connect service (Skyway Airlines), providing feeder traffic and regional service primarily in the upper Midwest.

Midwest currently has a fleet of twenty-five new Boeing 717-200' s and thirteen MD80 aircraft in three configurations. Midwest Airlines revenue exceeded $522 million and it carried more than 3 million passengers in 2005. Midwest and Skyway employed approximately 3,300 people in 2005, with pilots and flight attendants represented by ALPA and AFA, respectively. In 2004 the mechanics and related employees voted down representation by the IBT.

Industry Outlook

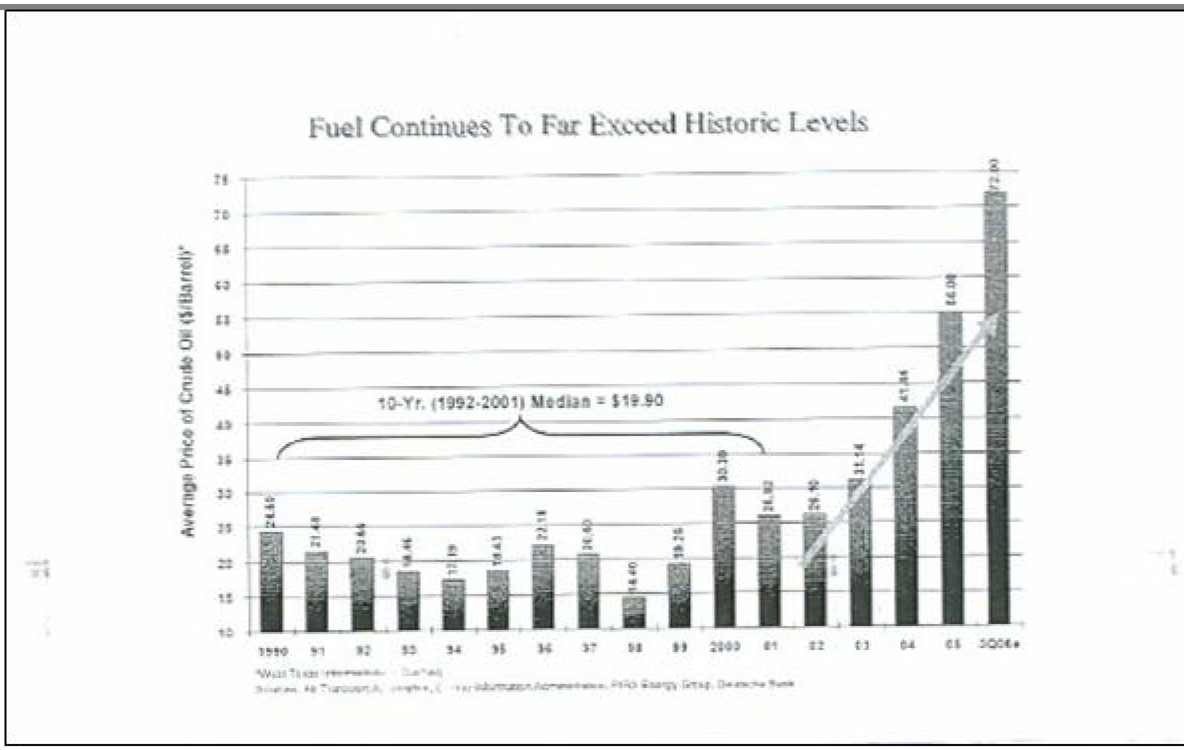
The airline industry has been in decline since before the tragic events of September 11, 2001. The economic slow down that began in late 2000 has continued to hamper the industry' s efforts to recover. There are a number of factors which tend to indicate that the "recovery" will result in an industry with little resemblance to that of pre-9/11. While most legacy carriers reduced capacity following 9/11, low cost and specialty carriers have grown, most successfully, and now account for approximately 32% of domestic industry capacity.

	Domestic ASM Shares*			
	1995	**2000**	**2005**	**2006**
Southwest	7.4 %	8.9 %	12.8%	14.2%
Other LCC & Specialty	11.0%	10.9%	18.1%	18.1%
LCC & Specialty Total	**18.4%**	**19.8%**	**30.9%**	**32.3%**

* Scheduled Available Seat Miles, ASMs (000)

This expansion has resulted in a much broader spectrum of low fares; a return to high yielding days of 1999-2000 is unlikely.

More recent yield trends are more a necessity of historically high aviation fuel prices and reduced capacity, than a fundamental change in industry pricing.



The industry yield decline, which began in 2000, has only recently reversed trends due primarily to the increase in fuel prices.

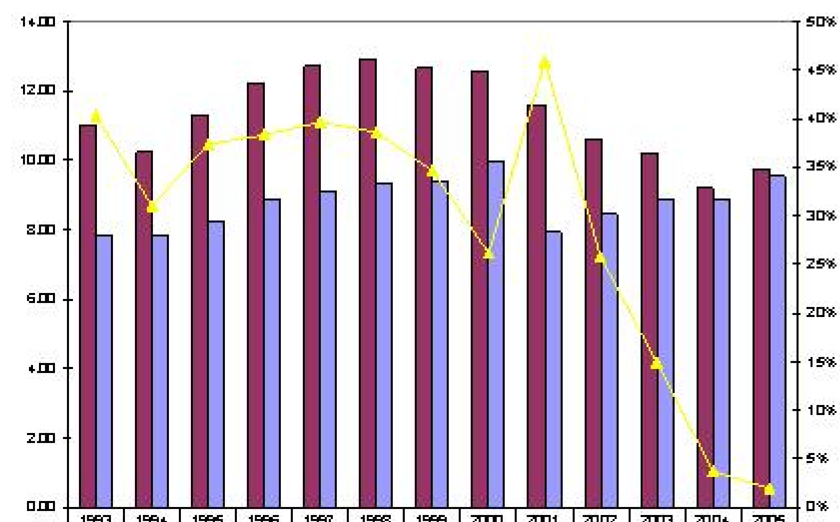
A broad restructuring of the industry is now underway. Several carriers remain in bankruptcy while others have recently exited. The merger of America West Airlines and US Airways may be the first step in an industry consolidation. In one of the more extraordinary moves, Southwest Airlines dramatically modified its 34 year old business formula to code share with a bankrupt ATA and gain control of Chicago' s Midway Airport. Shortly thereafter Southwest began offering service from two large hub markets, Philadelphia and Pittsburgh, and more recently Denver.

As the restructuring unfolds, smaller carriers will face increasingly larger network competitors with significantly lower cost structures. Flexibility and the means to respond to new competition will be required for successful growth and profitability in the future, but most important is the need to create a strong and diverse network.

<u>Competitive Dynamics in Milwaukee</u>

Midwest Airlines has a strong history and widely acknowledged in-flight service that has allowed it to succeed for more than 28 years. Historically the Midwest product offering, Signature Service, has been able to support a yield premium versus the industry. More recently, there has been a permanent change in pricing, resulting from the growth of low cost competition and online travel distribution giving consumers the ability to acquire knowledge of options and leverage that knowledge in purchase decisions.

YX v ATA Industry RASM at 1000 miles



	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
YX at 1000 LOH	10.98	10.23	11.28	12.24	12.72	12.92	12.66	12.58	11.58	10.62	10.20	9.20	9.74
IND at 1000 LOH	7.83	7.81	8.21	8.85	9.11	9.32	9.40	9.97	7.93	8.44	8.88	8.87	9.56
YX Premium v Industry	40%	31%	37%	38%	40%	39%	35%	26%	46%	26%	15%	4%	2%

Note: for comparison purposes both YX and Industry Unit Revenue (RASM) are adjusted to 1000 mile length of haul.

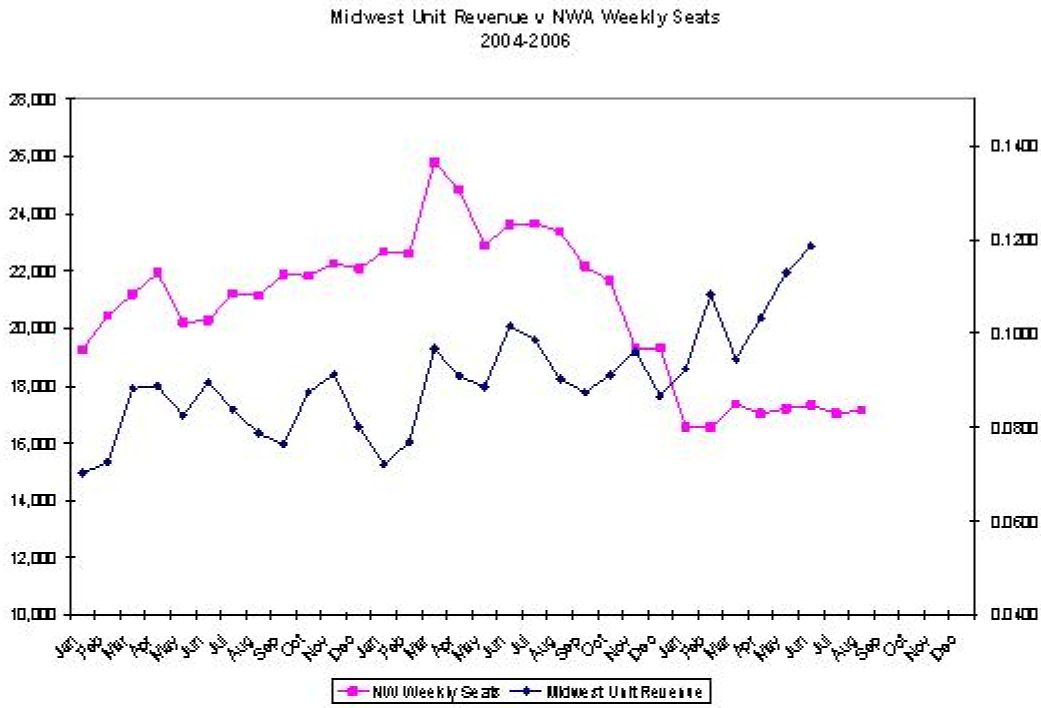
As the industry has moved to a lower fare base, competitive pressures have increased. Combined with changes in consumer buying trends, even Midwest' s historic unit revenue premium versus the industry has eroded from more than 35% to less than 3% in 2005.

Midwest is well positioned in Milwaukee (MKE), having a majority of departures and a strong local following. From its inception Midwest has faced varying degrees of competition from Northwest Airlines (NW) at MKE. Since filing bankruptcy, NW has reduced departures at MKE by 50% and weekly seats by nearly 30%.

MKE Scheduled Capacity For All Airlines; July 2006 v 2005

	Ops/Week				Seats/Week			
Airline	**Jul06**	**Jul05**	**Diff**	**Pct Chg**	**Jul06**	**Jul05**	**Diff**	**Pct Chg**
Delta	206	167	39	23.35	10,958	14,318	-3,360	-23.47
AirTran	94	70	24	34.29	10,998	8,190	2,808	34.29
Continental	168	158	10	6.33	8,374	7,796	578	7.41
AirTran	24	24	0	0.00	1,200	1,200	0	0.00
America West	28	28	0	0.00	3,752	3,752	0	0.00
Frontier	28	28	0	0.00	3,696	3,696	0	0.00
Midwest	**1,832**	**1,838**	**-6**	**-0.33**	**105,246**	**103,060**	**2,186**	**2.12**
US Airways	96	108	-12	-11.11	4,800	6,940	-2,140	-30.84
American	174	206	-32	-15.53	8,592	10,308	-1,716	-16.65
United	126	208	-82	-39.42	6,664	11,388	-4,724	-41.48
Northwest	**250**	**500**	**-250**	**-50.00**	**34,084**	**47,342**	**-13,258**	**-28.00**
TOTAL	3,026	3,335	-309	-9.27	198,364	217,990	-19,626	-9.00

This reduction in competitive capacity at MKE has resulted in improved Unit Revenue trends recently for Midwest, but nonetheless highlights the vulnerability of a concentrated hub network to revenue dilution. Through its bankruptcy, NW is aggressively reducing its long term cost structure and will be a far more formidable competitor in the future. Despite its Chapter 11 restructuring, NW has affirmed its leases at MKE leaving them a very real competitive threat in the future.



Future Competitive Threats Will Differ

The vulnerability for both Midwest and AirTran is a lack of size relative to legacy and other growth airlines.

While low cost carrier presence at MKE is relatively small today, it is not likely to remain that way. Milwaukee is too large and attractive a market for new entrants, both because of and despite its proximity to Chicago. MKE is the 51st largest airport in the U.S. based on O&D traffic with 7.2 million passengers; Southwest serves 80% of the airports ranked 50 through 75. Southwest currently flies to 22 of the top 25 markets from MKE either directly or through a secondary airport such as Manchester and Providence versus Boston.

Similarly, with congestion at Chicago and limited facilities at both O' Hare and Midway, it is increasingly likely that jetBlue will enter the MKE market as alternate airport for the region. It would be likely that jetBlue would add service from their New York-JFK hub and potentially from Boston using either the Airbus A320 or new 100 seat regional jets.

In the past, Northwest' s service, even with only Regional Jets, has proven just effective enough to marginalize yields at MKE. Although irrational, this "harm the competitor mentality" is a strategy that a post-bankruptcy Northwest will be able to deploy more readily and sustain.

With approximately 53% of Midwest Airlines' 2005 passenger revenue derived from MKE the need for revenue diversification is clear.

A well conceived plan for any hub market has to assume that Southwest and jetBlue will add competition at some point over the next several years. Frontier never believed that Southwest would come to Denver; likewise US Airways believed that Southwest wouldn' t enter Philadelphia. Given the size of the Atlanta market, AirTran has to assume that if the opportunity and facilities exist, Southwest will come to Atlanta as well. While Milwaukee would not likely be a large focus city for Southwest, even 15-20 departures from MKE into the SWA network will have a negative impact of more than $12.5 million a year on Midwest' s bottom line P&L.

Although jetBlue is not as formidable a competitor as Southwest, its entry in Milwaukee will have distinct impact on several key market; most notably New York, Boston and Washington.

Growth is necessary at MKE to ensure a dominate position and unit revenue improvement and in MCI to diversify the network and expand the reach of the airline. The issue is the ability to grow internally and fend off competition, both from legacy carriers and prepare for ever increasing low cost carrier expansion, specifically the seemingly inevitable entry of Southwest and/or jetBlue.

A Simple and Effective Strategy

AirTran Airways has historically had a simple plan for flexible and efficient growth focused on keeping costs low and diversifying its revenue base. The goal of the route structure diversification is to reduce its dependency on any singe revenue source and have greater control over its own destiny. Still, AirTran Airways continues to face very high levels of competition. At its primary hub in Atlanta, Delta is again growing capacity while restructuring in bankruptcy and from Southwest Airlines in key cities like Baltimore, Chicago and Orlando.

AirTran Airways Stats	**1998**	**2006e**
Aircraft	42	120
Daily Departures	278	678
ASMs*	5.4 billion	19 billion
Annual Passengers*	5.5 million	20.4 million
Cities Served	30	50
Revenue*	$439 million	$1.9 billion
Cash Balance	$11 million	$400 million +
Profits	No	Yes

* Estimates for 2006

AirTran Airways' growth plan is based on expanding the core hub, developing focus cities in key markets (PHL in 2000, BWI in 2001-2, MCO in 2003-5, MDW in 2005) and building network strength. AirTran now has 15 cities with 5 or more nonstop destinations and 14 cities with a dozen or more daily departures. Future growth and expansion is funded with the 2003 order of Boeing 737-700s, an order placed at the market low, which ensures predictable low costs for the life of the fleet.

Benefits of an AirTran Airways – Midwest Airlines Merger

Quite simply, Midwest Airlines and AirTran Airways are stronger together than they are as stand alone entities. Combining the strengths of both companies, leveraging assets and positions in key cities, improves competitiveness and allows both companies to control their own destiny, rather than managing on the hope that factors we can't control don't undermine success.

Midwest Airlines and AirTran Airways have each built successful business models that have won accolades for service and efficiencies. Both carriers have an established history of serving both large metropolitan markets as well as small to midsize communities. The challenges for each carrier are similar; competing against much larger carriers, maintaining efficiencies, providing quality service in an increasingly difficult economic and competitive environment, while managing growth and profitability. Both airlines have a culture that is driven for success and quality.

Business Product

While there are product differences, those differences have somewhat converged over the past several years. AirTran Airways has worked hard to upgrade its fleet, service levels and image – this has culminated in the 2nd place ranking in Airline Quality Ratings established by the University of Nebraska and Wichita State University study for two years in a row as well as Entrepreneur Magazine's Airline of Year for four of the last five years. The AirTran business model is focused on new aircraft, low costs, low fares and good customer service delivered by great people; with a product emphasis on items most highly valued by business travelers: assigned seating, business class, large overhead bins and an aggressive corporate & frequent traveler program.

Midwest Airlines Signature Service offers two-by-two business class seating and in-flight amenities. Signature Service has consistently won the awards for in-flight quality, including Travel & Leisure magazine named Midwest Airlines "Best Domestic Airline" for six of the last nine years.

Midwest' s product has evolved over the past three years as it has gone through its restructuring. Saver Service has been introduced and we believe the move towards a two class configuration is a strong possibility in the future.

Both carriers have a business model that targets business travelers, with a fare structure designed to stimulate price sensitive leisure travelers as well. Both carriers introduced cost effective in-flight entertainment systems, AirTran Airways is the launch carrier for XM Satellite Radio and Midwest Airlines has introduced the digEplayer system on certain flights.

The key to continued success for AirTran Airways and Midwest Airlines is maintaining low cost structures and building a defensible route network – goals more likely attained together than as independent airlines.

Fleet Commonality & Route Network Synergies

Midwest is in the midst of a top to bottom review of their fleet – AirTran' s fleet plan provides a ready, quick and low cost solution. Many experts would view the existence of the B717 fleets at AirTran or Midwest as detriments to participating in a consolidating industry because they are not compatible with the fleets operated at most North American carriers. However, there are natural synergies by combining the world' s two largest B717 fleets which will drive increased efficiencies and lower costs for the combined carrier. The carriers route networks are complementary with limited overlap. Midwest Airlines' MKE operation provides the upper-Midwest hub that AirTran needs to expand and AirTran' fleet of 737-700s, both current and planned deliveries, provides the aircraft that Midwest needs for growth and lower costs.

AirTran Airways Fleet Plan

Year	B717	B737	Total
2005	85	21	106
2006	87	40	127
2007	87	57	144
2008	87	75	162
2009	87	88	175
2010	87	100	187

The 737-700 is exceptionally fuel efficient, more than 30% better than an MD80, and has the range to fly from either MKE to MCI to any point in the U.S, Canada as well as parts of Mexico and the Caribbean. AirTran' s fleet delivery schedule, slightly more than one aircraft per month, provides the critical mass necessary for growth in a cost effective and reasonable time frame.

AirTran Route Network

Midwest Route Network

The combination of Midwest and AirTran results in an airline with approximately 1,036 daily departures with 173 unique nonstop markets between 74 cities across the United States. The growth potential in the first year, assuming some efficiencies in common airports and a replacement of the MD80 fleet with the 737, would add 14 to 16 new non-stop routes and about 70 new daily departures. Second year growth would include another 20 new nonstop routes and about 100 additional departures.

Complimentary Route Networks

Combined Carrier Growth Markets

Initial focus is on fleet rationalization and gaining the efficiencies derived with the retirement and replacement of the MD80 aircraft. Most of the growth of the combined Midwest-AirTran occurs through 1) the expansion of the MKE hub, approximately 12 new nonstop markets and more than 40 additional mainline departures, 2) continue building the focus city in MCI with 11 new nonstop markets and about 20 more departures and 3) continued expansion of the ATL hub, both into markets served by Midwest and with the addition of new cities.

Key Market Growth

	Current AirTran-Midwest	Two Year Potential
	(Departures / Nonstop Markets	
Atlanta	232 /49	264 /54
Milwaukee*	151 /41	183 /55
Kansas City	32 / 13	50 / 26
Total Network	1022 / 158	1206 / 198

* Assumes no change in Midwest Connect frequency; subject to change following further analysis

The city of Milwaukee would benefit from a nearly 51% increase in daily seats through a combination of 21% more flights with an average of 26 more seats per aircraft, and the addition of approximately 16 to 17 additional aircraft (a combination of 717 and 737-700s) and corresponding employment increases. Potential new nonstop destinations include Seattle, Detroit and other markets across the U.S., Mexico and Caribbean. This growth could create more than 1,000 new jobs.

Capacity growth in Kansas City would more than double with eleven new nonstop markets, 18 to 20 additional daily departures; making the combine Midwest-AirTran the largest carrier in terms of destinations from MCI and second largest carrier in departures at MCI behind Southwest. This growth would require an additional 11 to 12 aircraft and equivalent employees.

The spoke markets are where the greatest market synergies can be gained through this combination. Midwest currently averages about 1.5 nonstop destinations per spoke city, while AirTran has grown to now have an average of 3 nonstop destinations per non-hub market, that number would grow to just over 4 nonstop destinations per market for the combined carrier. More important, the real strength is the improved breadth of service. In a market such as Boston, where AirTran is well positioned to Atlanta, Baltimore, Chicago and Philadelphia, as well as new service beginning this winter to Orlando, Ft. Lauderdale and Ft. Myers, the addition of the Milwaukee and Kansas City hub service would greatly enhance the ability of the combined carrier to compete for passengers and revenue to upper-Midwest and West coast markets. In essence, the combined Midwest-AirTran could take passengers in the Northeast to almost anywhere in the U.S. In addition, the strength of the network would make it much more difficult for competitive entry in key markets. This would be equally true in most other regions of the country as a result of well positioned hubs. Improved spoke city presence dramatically improves the quality and effectiveness of each carrier' s frequent traveler loyalty program and credit card programs.

The combined carrier would be a truly national low fare network airline with a fleet of nearly 200 jet aircraft within two years. This network would have the breadth and efficiencies to compete with any carrier. On average, each city served (excluding hubs) would have about 8.5 daily departures to about 4 destinations. This level of efficiency drives high asset utilization and generally ensures that from any market served, the carrier could carry a passenger to nearly any other point in the network with a single connection.

Summary

There are natural synergies between Midwest Airlines and AirTran Airways. The route networks of each carrier are highly complementary; a combination of carriers with limited overlapping routes, leading to more service from the combined network almost immediately.

The fleet commonality of the 717 will increase efficiencies and the 737-700 delivery plan provides the means necessary to both cost effectively replace the MD80 aircraft and grow the combined network.

Projected revenues for the combined network would be approximately $3.0 billion in 2007 and more than $3.4 billion in 2008. Unit cost for the combined carrier, on a non-fuel basis and stage length adjust basis, would be 12% lower than current Midwest levels.

This low fare network would be highly competitive with solid and consistent growth and profit potential. The combination of the AirTran Airways hub in ATL and network presence in the Eastern U.S. with the Midwest hub in MKE and presence across the upper-Midwest, provides a stable base of operations from which to grow. The combined networks can add services more efficiently by providing multiple destinations and well positioned hubs, substantially reducing the risk of expansion. These synergies create breadth of service to effectively compete and network strength to provide security for shareholders, employees and investors.

AirTran Airways currently has approximately 63 employees (Full-Time Equivalents) per aircraft. Based on this level, total employment for the combined carrier would exceed 12,000 within two years, thus not only ensuring the continued employment of current crew members, but increased employment in key cities like Atlanta, Milwaukee and Kansas City.

The combined carrier would be well positioned on day one with approximately 870 daily departures to 77 cities, including Skyway service, creating marketing synergies with increased departures per city. More important, this breadth of service substantially improves the combined frequent traveler program' s strength; increased destinations per market and the ability to carry a passenger from any city in the route network logically to almost any other city in the network greatly improves the competitiveness of the loyalty programs. The stronger the loyalty program, the more revenue it generates in terms of partnership opportunities – Visa/MasterCard and others – as well as improved revenue share in spoke markets.

Both carriers have entrepreneurial cultures rooted in consumer value, efficiency and cost consciousness. Combined the carriers can successfully compete in a manner neither can do independently. Together, AirTran Airways and Midwest Airlines can establish a solid foundation for a quality low cost, low fare network for customers, creating value for shareholders, and stability and growth for employees.

AirTran Airways
Joseph B. Leonard
Chairman and Chief Executive Officer

Exhibit 99.4

October 23, 2006

Mr. Timothy E. Hoeksema
Chairman, CEO and President
Midwest Air Group, Inc.
6744 South Howell Avenue
Oak Creek, WI 53154

Dear Tim:

I appreciate your taking the time to meet with me on Friday and I look forward to continuing our dialogue.

I do want to make it clear that our offer was based on publicly available information. As we discussed, I am fully prepared to assign staff to meet with your representatives to identify additional value that would be recognized in an enhanced offer.

I believe that a merger would create long term security for our employees and substantial value for our shareholders and the communities that we serve.

Yours truly,

/s/ Joseph B. Leonard
Joseph B. Leonard

AirTran Airways *9955 AirTran Boulevard Orlando, FL 32827 Phone 407.251.5600 Fax 407.251-5727*

MIDWEST AIRLINES

TIMOTHY E. HOEKSEMA
Chairman of the Board,
President and Chief Executive Officer

Exhibit 99.5

October 25, 2006

Mr. Joseph B. Leonard
Chairman and Chief Executive Officer
Air Tran Holdings, Inc.
9955 AirTran Boulevard
Orlando, Florida 32827

Dear Joe:

We have received your letters of October 20, 2006 and October 23,2006. We appreciate your interest in our company. Your indication of interest has been provided to our Board of Directors for its review and consideration, and I expect that we will respond in due course. We do understand your interest in proceeding in an expeditious manner, but as I am sure you appreciate, we are not in a position at this point to commit to timing. Finally, until our Board of Directors has had an adequate opportunity to consider your indication of interest, I do not think that it is advisable to schedule any meetings at this point as suggested in your October 23rd letter.

Thank you again for your interest in our company.

Very truly yours,

/s/ *Tim*
Timothy E. Hoeksema
Chairman, President and CEO

MW 1217945 Clare Campus-West Wing, 674 South Howell Avenue, HQ-6, Oak Creek WI 53154-1402
Direct: 414-570-2950 Fax: 414-570-0080 **Web**: *www.midwesternairlines.com* **E-mail**:
time.hoeksema@midwestairlines.com

MIDWEST AIR GROUP, INC. IS A PUBLIC COMPANY, TRADED ON THE AMEX UNDER THE SYMBOL MEH

Joseph Leonard
Chairman & CEO

Exhibit 99.6

October 31, 2006

Mr. Timothy Hoeksema
Chairman, CEO & President
Midwest Airlines, Inc
6744 South Howell Avenue
Oak Creek, WI 53154

Dear Tim:

I' ve spent a lot of time contemplating our recent discussion, particularly your thoughts on the differences in our corporate cultures. As I may have mentioned to you, the challenge of establishing a strong and productive culture within the airline industry was part of my motivation in leaving Allied Signal and joining AirTran Airways.

To the extent that corporate culture is defined as the attitudes, experiences, beliefs and values of an organization, we do have some differences, but I strongly believe that while there are differences, out cultures are converging – both out of necessity and by design. Our products may differ slightly, I do believe however our cultures are close.

When I joined AirTran in 1999, the company was nearly bankrupt, operationally weak, with a product that was best described as tired. At that point our focus had to be on cost control and establishing good business and operational practices, though I also placed an emphasis on open and honest communication. To that end I believe we began to develop an entrepreneurial mindset that goes a long way towards defining our culture today. It was this entrepreneurial spirit that has guided our growth and development.

Throughout the rebuilding of AirTran, we have had an eye towards continuous improvement. This is demonstrated in many ways: from investment in IT infrastructure, improved facilities and most certainly with our new aircraft, which put an emphasis on fuel efficiency and customer comfort with large overhead bins, new technology seats and XM Satellite Radio.

I think this focus on improvement is reflected in several recent surveys. In the 2006 JD Power business travel survey AirTran Airways received an overall customer satisfaction rating of 722, up 50 points from 2005, a 7.5% improvement and a survey ranking of 3rd among major airlines, up from 8th in the previous year. (Survey summary below.)

In a series of custom surveys conducted by PK Data in 1999, 2004 and 2006, AirTran Crew Members received increasingly improved scores, including 4.8 out of a possible 5.0 in the 2006 study. Again, I think this reflects a cultural shift driven by communication, teamwork and pride in accomplishment.

Tim, I truly believe we have a tremendous opportunity before us to build an even greater airline by joining forces and uniting the renowned Midwest product and service culture with the AirTran Airways core financial strength, low cost fleet and route network. While our cultures have developed on different paths, it is these cultural differences, in complement to each other, that will help us build the strongest, highest quality low cost airline in the industry. We both share a vision for success that provides for the long term profitability of our companies to the benefit of our shareholders and crew members. As we' ve discussed, this vision is best achieved together.

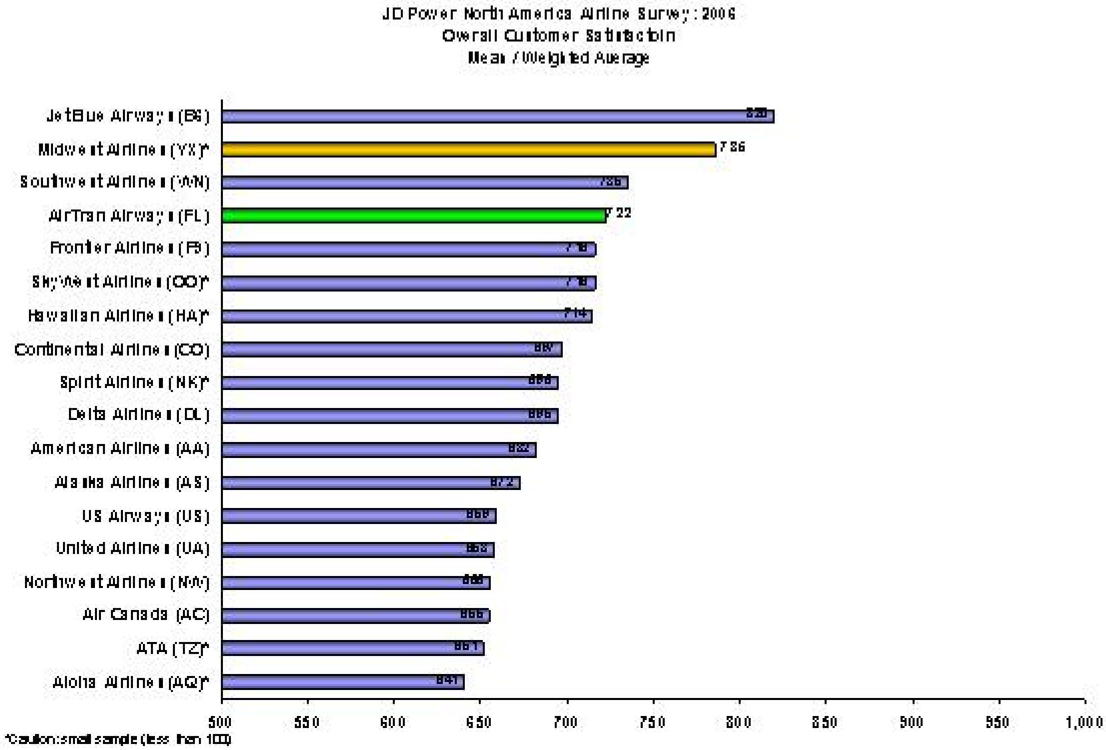
I look forward to working with you to build the nation' s most respected low-cost, high service airline.

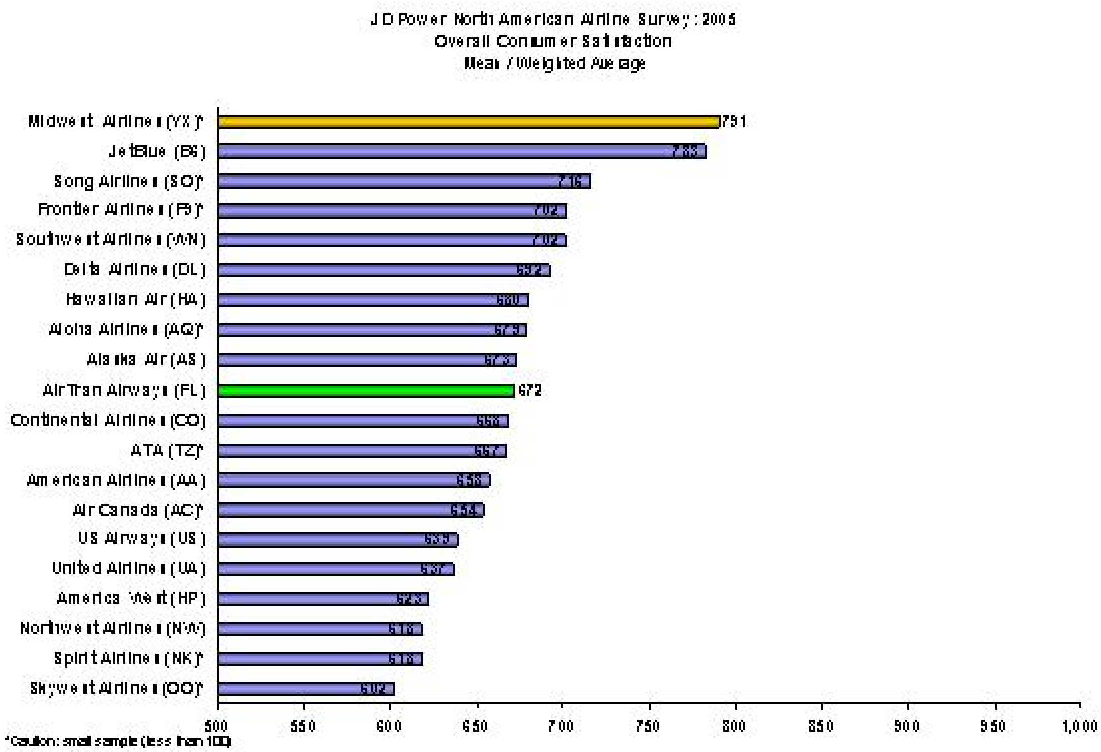
Sincerely,

/s/ Joe

Joe Leonard

JD Power North American Airlines Survey; Results for Overall Customer Satisfaction





MIDWEST AIRLINES

TIMOTHY E. HOEKSEMA
Chairman of the Board
President and Chief Executive Officer

Exhibit 99.7

November 21, 2006

Mr. Joseph B. Leonard
Chairman and Chief Executive Officer
Air Tran Holdings, Inc.
9955 AirTran Boulevard
Orlando, Florida 32827

Dear Joe:

I wanted to provide you with an update on our consideration of your indication of interest. We are mindful of your desire to proceed in an expeditious manner, and we are working diligently on our analysis. We do expect to review your indication of interest with our Board of Directors at its upcoming regularly scheduled meeting on December 6, 2006. I plan to be in touch with you shortly thereafter with the Board' s response.

Thank you again for your interest in our company.

Very truly yours,

/s/ Tim

Timothy E. Hoeksema
Chairman, CEO and President

MW 1217945 Clare Campus-West Wing, 674 South Howell Avenue, HQ-6, Oak Creek WI 53154-1402
Direct: 414-570-2950 Fax: 414-570-0080 **Web**: *www.midwesternairlines.com* **E-mail**: time.hoeksema@midwestairlines.com

MIDWEST AIR GROUP, INC. IS A PUBLIC COMPANY, TRADED ON THE AMEX UNDER THE SYMBOL MEH

AirTran
AIRWAYS

Joseph Leonard
Chairman & CEO

Exhibit 99.8

November 22, 2006

Mr. Timothy Hoeksema
Chairman, CEO & President
Midwest Airlines, Inc.
6744 South Howell Avenue
Oak Creek, WI 53154

Dear Tim:

I am disappointed by your November 21, 2006 letter. Frankly, given the events over the very recent past, and the impact that another round of industry consolidations may have on your company, it seems to us that entering into negotiations to merge our two companies makes it imperative that we move on an expeditious manner.

AirTran Holdings has made a compelling cash and stock proposal that is at a substantial premium to the market price of your stock with an expressed willingness to further enhance our offer subject to due diligence to explore value that you identify to us. More than a year ago you rejected our first proposal to acquire Midwest Air Group and you have now had our most recent proposal under review for more than a month. It is unacceptable for us to hear from you today that your Board is simply scheduling our proposal for an item at its next regular meeting. Quite apart from the corporate governance issues that this raises, we want to be clear that our passive response to your rejection of our original offer is not the pattern that you can continue to expect from us.

Let us be clear on what our proposal offers to your shareholders, employees and the Milwaukee and Kansas City communities: Our offer provides your shareholders with significant value now against a hope that that value will appear sometime in the future as Midwest Air Group moves ahead as an independent company in an increasingly competitive environment. In a merged company along the lines that we have previously detailed, we not only will protect the jobs of all of your present employees but we will significantly increase jobs in a way that Midwest could never do under any possible scenario. As you know full well from our proposal, we plan to materially improve the scope and frequency of air service in Milwaukee and Kansas City to the benefit of those communities far beyond anything Midwest can offer as an independent company.

AirTran Airways *9955 AirTran Boulevard Orlando, FL 32827 Phone 407.251.5600 Fax 407.251-5727*

We are prepared to enter into exclusive negotiations with you now and move to a definitive agreement promptly. The circumstances call for a prompt response.

Yours truly,

/s/ Joseph B. Leonard

Joseph B. Leonard

MIDWEST AIRLINES

TIMOTHY E. HOEKSEMA
Chairman of the Board
President and Chief Executive Officer

Exhibit 99.9

November 27, 2006

Mr. Joseph B. Leonard
Chairman and Chief Executive Officer
Air Tran Holdings, Inc.
9955 AirTran Boulevard
Orlando, Florida 32827

Dear Joe:

I received your letter dated November 22, 2006, and it appears that you misunderstand the process we have undertaken to respond to your indication of interest. Since we first received your October 20, 2006 letter we have been moving with all deliberate speed to provide you with a response.

As I noted in my October 25, 2006 letter to you, we immediately communicated your indication of interest to our Board of Directors for its review and consideration. Since that time, the Board has taken many steps to fully understand the ramifications of your indication of interest. At its direction, the Board Affairs and Governance Committee has discussed this matter at several special meetings. The Board has engaged several advisors who are working to assist the Board, and extensive analysis is being conducted by our senior executives. The Board will take up the matter on December 6th which we believe is the earliest point at which we and our advisors will be able to present to the Board the results of a complete and thorough analysis. It is in no way intended to be a delaying tactic and in fact raises no corporate governance issues as suggested in your letter.

Let me be clear – we take your indication of interest seriously and are working diligently to ensure that we are properly discharging our fiduciary duties to our shareholders and giving due consideration to the interests of our other stakeholders.

As I have said before, we are mindful of your desire to proceed in an expeditious manner, and of course we are aware of the significant changes occurring in our industry. However, it is our legal obligation to take the time necessary to respond to your indication of interest in an appropriate and well-considered manner.

MW 1217945 Clare Campus-West Wing, 674 South Howell Avenue, HQ-6, Oak Creek WI 53154-1402
Direct: 414-570-2950 Fax: 414-570-0080 **Web**: *www.midwesternairlines.com* **E-mail**: time.hoeksema@midwestairlines.com

MIDWEST AIR GROUP, INC. IS A PUBLIC COMPANY, TRADED ON THE AMEX UNDER THE SYMBOL MEH

We appreciate the value you see in our company, and I hope that you can appreciate that we are striving to do what is in our company' s best interests.

Very truly yours,

/s/ Timothy E. Hoeksema

Timothy E. Hoeksema
Chairman, CEO and President

MIDWEST AIRLINES

TIMOTHY E. HOEKSEMA
Chairman of the Board
President and Chief Executive Officer

Exhibit 99.10

December 6, 2006

Mr. Joseph B. Leonard
Chairman and Chief Executive Officer
AirTran Holdings, Inc.
9955 AirTran Boulevard
Orlando, FL 32827

Dear Joe:

Our Board of Directors met today and had an extensive discussion of your expression of interest in a transaction with our Company. As you know, we have taken your letter very seriously, and since October 20, 2006, the Board and the Board Affairs and Governance Committee have spent considerable time and effort in a process with their advisors to understand and evaluate your expression of interest.

The Board completed this process today. While the Board has a great deal of respect for AirTran and for your leadership, it has concluded that it would not be in the best interests of the Company, our shareholders and other stakeholders, including customers, employees and the communities we serve, to pursue a transaction with AirTran under the current circumstances. The Board feels that the Company' s strategic plan and remaining independent hold the best promise for continued growth and increased shareholder value going forward.

Thank you very much for your interest in our Company and your efforts in submitting your letter.

Best regards for a good holiday season.

Very truly yours,

Timothy E. Hoeksema
Chairman, CEO and President

MW 1217945 Clare Campus-West Wing, 674 South Howell Avenue, HQ-6, Oak Creek WI 53154-1402
Direct: 414-570-2950 Fax: 414-570-0080 **Web**: *www.midwesternairlines.com* **E-mail**: time.hoeksema@midwestairlines.com

MIDWEST AIR GROUP, INC. IS A PUBLIC COMPANY, TRADED ON THE AMEX UNDER THE SYMBOL MEH

AirTran
AIRWAYS

Joseph Leonard
Chairman & CEO

Exhibit 99.11

December 13, 2006

Board of Directors
c/o Mr. Timothy E. Hoeksema
Chairman, CEO and President
Midwest Air Group Inc
6744 South Howell Avenue
Oak Creek, WI 53154

Dear Members of the Board:

As you know from prior conversations and written communications between our companies, we believe that a strategic merger between Midwest Air Group, Inc. and AirTran Holdings, Inc. would serve the best interests of our respective shareholders, customers, employees and communities and better position the combined company to compete against our larger rivals.

We have been trying to privately negotiate a merger between our separate companies for some time. More than a year ago, you declined our initial proposal to acquire Midwest Air Group and you have had our proposal of October 20, 2006 for more than seven weeks. Yet, despite our efforts, and without the benefit of directly discussing with us or our advisors the proposal in detail, our offer was declined on December 7, 2006. Because we believe that the proposal is such a compelling opportunity and offers such significant benefits to your constituents, we feel obligated to make this proposal known and are therefore making public this letter and the supporting financial analysis.

Let me recap the benefits our proposal provides. First, we are proposing to acquire all of the outstanding shares of Midwest Common Stock for $11.25 per share in cash and AirTran stock. This offer is a full and generous price based upon publicly available information. It represents a 37% premium to the thirty day average closing price and an 89% premium to the six months average closing price for Midwest' s common stock, prior to October 20, 2006, the date the offer was made to you. Our proposed transaction not only provides Midwest stockholders an immediate premium on their investment, but the opportunity to participate in the future growth of an airline that will possess extraordinary attributes, including an outstanding product for travelers and a highly motivated employee base.

As I said above, despite the fact that we believe that our offer is very attractive from a financial point of view, we would welcome the opportunity to consider non-public information concerning Midwest and are prepared to sit down and enter into serious discussions and, following that, consider in our offer any enhanced values that may be demonstrated. We are also willing to afford representatives of Midwest the opportunity to review non-public information about AirTran Airways and are prepared to enter into an appropriate confidentiality agreement to that end.

Aside from the financial aspects of our offer there are other benefits that a merger of our two companies will provide. Specifically, a combined AirTran Airways and Midwest Airlines:

Creates a low fare carrier with greater scale and substantial fleet commonality that is better positioned to face the pressures of an increasingly competitive domestic airline environment, including the near certainty of industry consolidation.

Generates greater efficiencies for both companies, with unit cost for the combined carrier, on a non-fuel basis and stage length adjust basis, 12% lower than current Midwest levels.

Offers Midwest a larger, more modern fleet with enhanced prospects of long-term revenue and profit growth.

Combines complementary route networks with limited overlap to form a stronger, more efficient airline with 1,036 daily departures with 173 unique nonstop markets between 74 cities across the U.S.

Increases the growth potential of both companies through the expansion of the Milwaukee hub, building Kansas City into a focus city and continued expansion of the Atlanta hub both into markets served by Midwest and with the addition of new cities.

Generates synergies of more than $60 million per year.

Improves job security for both companies' employees, offering a merger partner with a strong commitment to continuing the employment of employees of both companies with increased employment, traffic and taxable revenue expected in key cities like Milwaukee, Kansas City, Atlanta and Orlando.

Brings together compatible, entrepreneurial cultures rooted in consumer value, efficiency and cost consciousness.

We have the utmost respect for Midwest Airlines, its talented employees and the strong loyalty they have built among travelers, and, certainly, the excellent relationship the company has within the communities it serves. We, at AirTran, have a similar affinity with our constituents, and, in that spirit, we believe that once combined, we can maintain and foster the values and culture that have driven the success of both our airlines. We have full confidence that our commonality will enable us to successfully integrate our two airlines to form a stronger, truly national low-cost airline that will offer Midwest's constituencies growth opportunities that far exceed what could be achieved independently.

We are confident that there will not be any regulatory, financing or other obstacles to the timely consummation of this transaction and that the natural synergies will allow us to execute the transaction efficiently putting us in a strong competitive position from day one. While this matter is under discussion, we would ask that the Company not take any action that may diminish the value of a combined company, such as entering into a purchase agreement to acquire new or additional aircraft.

In conclusion, we believe AirTran Airways and Midwest Airlines will be much stronger as a combined force than either are as independent entities and that together we can provide substantial value to our respective shareholders, employees, customers and the communities in which we operate. We hope that you will reconsider our offer and enter into negotiations with us to effect a definitive merger agreement.

Very truly yours,

/s/ Joseph B. Leonard

Joseph B. Leonard