

PASHA PEOPLE



Pasha People
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Our name stands behind every move™

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Pasha Celebrates First Chrysler Export Shipment from the Port of Grays Harbor.

January 28, 2010. Staged in neat rows, waves of new Chrysler vehicles stood waiting to board Partner Shipping vessel, the M/V *Positive Passion*, which would take them on the long voyage to their designated ports in Asia.

Gathered on the Port of Grays Harbor dock to observe this first shipment of Chrysler exports, the enthusiastic crowd of dignitaries watched as a red ribbon received the snip of an over-size scissors, and then the celebration began.

The Back Story

In just over a year's time, Pasha's new marketing partnership with the Port of Grays Harbor has proven to be a valuable entrée into the Pacific Northwest. With deep water and strong transportation connections, Grays Harbor is an attractive port for shippers seeking West Coast alternatives. It is also a good fit for The Pasha Group and its automotive and stevedoring companies, not to mention a new port of call for Pasha Hawaii's M/V *Jean Anne*.

In July 2008, Partner Shipping joined with Praxis Logistics to create North America Pacific Asia service (NAPA), filling a geographical void in that particular Ro-Ro market. In October of the following year, Chrysler Group LLC put their global deep-sea bid out to carriers around the world, with a clear focus on improving supply chain turn-around, collaborating with true customer service organizations, and reducing costs. Pasha submitted a bid to handle processing in Grays Harbor, while NAPA submitted their proposal to handle ocean freight transiting Grays to Asia. Chrysler selected the NAPA service as the carrier, and Pasha as the LLP and port processor.
(Story continued on back page)

Shades of Gray



Taking the Short Way Home

(continued from front page)

With the award of this traffic, Pasha Automotive Services (PAS) went into high gear, as did Pasha Stevedoring & Terminals (PST), the stevedore of choice for Partner Shipping's West Coast ports of call (see related story in this issue). Spearheaded by Michael Pasha, Pasha's General Manager of Port Development, experienced crews from the company's San Diego operation quickly began training local workers in wrap and undercoating procedures, with rail and processing operations following soon after.



Jo Knutsen - Partner Shipping, George Pasha, John Griffin - Chrysler Group LLC, Michael Pasha, John Pasha.

The Value of Partnership

Pasha has a long established history with Chrysler, with Pasha Hawaii as the exclusive provider of ocean transportation in the West Coast/Hawaii trade lane, and Pasha Distribution Services providing auto transport

services for Chrysler in Southern California and the Midwest. Pasha's IT team has recently created a sophisticated Transport Management System for Chrysler's plant in Belvidere, IL. Pasha's President and CEO George Pasha, IV, notes, "This marks the start of a major automotive client opportunity with Chrysler, and we are very pleased that Partner and Praxis have chosen Pasha and Grays for their PNW gateway. Pasha is very much looking forward to being a meaningful part of the success story in Grays Harbor. I appreciate the warm welcome and support from the members of the Harbor commission,

as well as the Chamber of Commerce, local community representatives, and ILWU Local 24. Pasha is a service business. We are blessed to be supported by a great team of dedicated people... we only succeed because of their commitment."

Presidents Corner

Without a doubt, we are all happy to close the chapter on the year 2009, which began with a free fall off a cliff through the first quarter and into the second. By summer, we found ourselves with about one half the 2008 volumes we enjoyed in several of our business segments. Fortunately for The Pasha Group, business diversification, and a team who understands how to perform under pressure, helped to slow the retreat and provide steady earnings for the second half of the year. Optimism, stability, and perseverance remain our hallmarks, and our team continued to focus on making the best of what we had and bringing new and exciting possibilities to the table.

We have never hesitated to take strategic risks - in good times and bad. 2009 was no exception. Like many other companies in today's difficult environment, we have taken a hard look at our organization, put realignment in place where necessary, while still maintaining our pursuit of excellence.

While we had to make difficult decisions that affected many of our colleagues, we continued to make important investments in key management positions. This creates bench strength to both more effectively manage our current business

streams, and realize new opportunities that will get us back on track to further diversify and grow our revenue base.

In addition to people capital, we continue to invest in technology which, in the long run, will help differentiate Pasha in its varied businesses with creative and capable business solutions. These systems will also bring important efficiencies, allowing us to get things right in the most cost effective way possible.

We recognize we are in a business that relies on outstanding customer relationships. This places our focus squarely on

getting it right the first time, while taking a prudent, balanced and considered approach to managing the business. We choose partners who share this vision and will assist us in realizing our goals. We are very fortunate to have customers that value long term relationships based on trust and the realization of a mutually beneficial outcome - outstanding customer service at a fair price.

In this issue of Pasha People, we share with you new achievements, celebrate the success of valued clients, and take the opportunity to recognize our global communities.

I am very proud of Team Pasha. Overcoming the challenges of the past year, they not only kept our culture intact, they repeatedly demonstrated the core values of our organization. I think, overall, more of our colleagues 'get it' than ever before. While the road ahead is still a little rough, with the continued contribution and hard work of the Pasha people, and the ongoing support of our customers, we anticipate a productive and successful 2010 and beyond.

George Pasha, IV, President and CEO

Wrapping it Up

After 126 successful roundtrip voyages between the West Coast and Hawaii, it is time Pasha Hawaii's M/V *Jean Anne* had a fresh look. Over her five years of service, many internal operational and environmental upgrades have taken place. Now she has a new exterior appearance to represent the cargo she has carried so steadfastly since her Maiden Voyage on March 21, 2005. *Jean Anne* is the only dedicated Roll-On/Roll-Off vessel in this trade lane - as she sails into her sixth year of service, we join with her Captains and stalwart crew in celebration. Ahoy, the *Jean Anne*!

Jean Anne Update



PST Goes With The Grain

Pasha Stevedoring & Terminals L.P. (PST) continues to secure new business in the Pacific Northwest. Through our newest partner, the Port of Grays Harbor in Aberdeen, WA, PST's latest success story began last September with the award of the AG Processing, Inc. (AGP) grain contract.

Headquartered in Omaha, NE, AGP is a farmer-owned cooperative engaged in the procurement, processing, marketing and transportation of high-quality grains and grain products. As such, it is the largest soybean meal cooperative in the world, processing more than 15,000 metric tons of soybeans every day. Nearly seven years ago a joint venture between the Port of Grays Harbor, AGP, and the Puget Sound & Pacific Railroad created one of four deep-water facilities at the Port, which is a day closer to the markets of the Pacific Rim than any other West Coast port. Today, a steady flow of rail cars transports agricultural products from the Midwest to the West Coast for export to world markets. Using the latest technology, the facility at Grays includes enclosed conveyers that transport product from the receiving building into the vessel. The grain pours smoothly into the hold in muted shades of brown and beige, looking for all the world like massive sand dunes.

After a record year of exports, AGP has just announced plans to expand their Grays Harbor facility. The 13.5 acre expansion will include construction of on-site storage silos and infrastructure to increase unloading



capacity. Detailed engineering has begun, and construction is expected to begin this fall with operations slated for early 2012. Port officials estimate shipping volumes will more than double due to the expansion.

PST has already loaded over 546,000 metric tons of bulk agricultural products onboard vessels at Grays Harbor. Jeff Burgin, PST Senior Vice President, notes, "Our Terminal Manager, Jay Foose, has a strong background in vessel and terminal operations. With his years of experience, Jay is the right fit for the job. Moving forward, our team continues to explore different avenues to further enhance the operation and increase the level of productivity. Our goal has always been to identify areas of common ground with our business partners, take what we believe to be good, and create a new paradigm to shift the business to even greater levels."

The expanding scope of AGP's export effort has earned the company a reputation as a premier supplier of high quality commodities to the world. PST is glad to help deliver the message. And our partnership with Grays Harbor is paying big dividends for PST. The cargo our clients ship is extremely valuable, as is the safety of our employees. Thus, safe working conditions and careful cargo handling are paramount. The "Safety First" philosophy as embodied by PST in all its West Coast locations calls for both physical security and operational safety. On March 10, the Pacific Maritime Association awarded PST the First Place Class "C" Stevedore Safety award for the Pacific Northwest, an honor we gladly accept.

It's Pouring Grain in Grays Harbor