Pasha People A publication by The Pasha Group Design - RightSide Imaging

Global Headquarters: 5725 Paradise Drive, Suite 1000 Corte Madera, CA 94925-1212

Telephone: 415.927.6400 Fax: 415.924.5672

www.pashagroup.com

Comments? Suggestions? Send to: people@pashanet.com

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The Pasha Group News and Information Source

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Full Steam Ahead

It has been 162 years since King Kamehameha III chose Honolulu as the official capital of the Kingdom of Hawaii. At the heart of this beautiful island paradise lies Honolulu Harbor, once a small and dormant fishing village. The King's proclamation was the impetus that led to the development of the harbor to attract vessels of all types so the kingdom would prosper, and its people would be well-provided for. In 2012, it is evident this goal was met, as the harbor is very much the center for the receipt of cargoes necessary to sustain daily life for the local people and support the hospitality industry for which Hawaii is famous.

Today, Pasha Hawaii gracefully sails into this harbor with its flagship vessel, the M/V Jean Anne. When she is moored at Piers 31-34, you can catch a glimpse of her as she discharges cargo to meet the needs of our customers in the Islands. Once laden with outbound cargo headed for the West Coast of California, she makes her way back to the mainland via Maui and the Big Island.

Something New

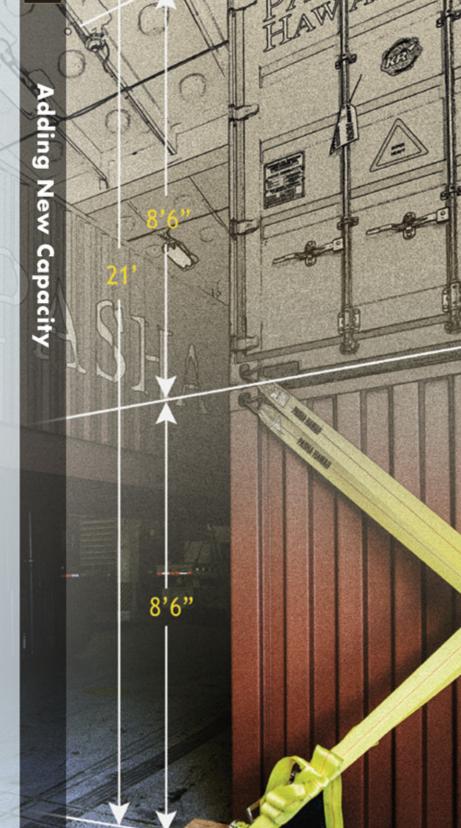
We have always listened to our customers in order to meet their expectations. The latest result? Pasha Hawaii introduces its newest cargo commodity - containers! Originally designed as a Pure Car Truck Carrier, the Jean Anne was modified over a six-month period this year to provide clearance on the vessel to accommodate up to 50 double-stacked 40' standard containers per voyage. With a true spirit of independence, the first containers arrived in Honolulu on July 4, 2012.

Diversified Cargo

Since her launch in 2005, the Jean Anne has been providing roll-on roll-off service for a wide range of vehicles, yachts, heavy machinery and oversized cargo. Adding containers to the mix not only provides our current customers with an additional option for shipping their cargo, but opens the market to new clients who can appreciate Pasha Hawaii's specialized shipping services and Aloha spirit.

Behind the Scenes

Inside, you will meet Bill Lickert, Pasha's Vice President of Con-



tainer Sales who not only leads the sales effort for Jean Anne's new service, but is a driving force to add clients to the Marjorie C, currently under construction. Bringing weekly service to Pasha Hawaii's sailing schedule, and anticipated to launch by the end of 2013, this 692' ConRo (combination Container Ro Ro vessel) will be a striking addition to the vibrancy of the Honolulu Harbor, her home port.

Maritime - Rising to the Occasion

Kicking off 2012's National Maritime Month celebrations, the Port of San Diego hosted a breakfast on May 15, one of the many activities taking place in May to celebrate the men and women who work in the maritime shipping industry. National Maritime Day was celebrated this year on May 22 honoring those in the U.S. maritime industry who handle imports, exports and domestic cargo shipments. It also recognized those who assist in the movement of millions of annual cruise passengers, military shipments and the merchant mariners who serve the country each day. Led by California State Controller John Chiang, who addressed an audience of more than 400, four

panelists, including The Pasha Group's CEO George Pasha, IV, discussed the economic importance of maritime, the national and global system of goods movement by ships, and the role of the U.S. Navy and the Coast Guard in the San Diego region. Joining George were Rear Admiral Dixon Smith, Commander, Navy Region Southwest, Captain Sean Mahoney, U.S. Coast Guard and Richard Lambros, Managing Director of the Southern California Leadership Council. Pasha Automotive Services is the Port's largest tenant, with a 125-acre terminal. Today, more than one in ten imported cars on our nation's highways comes through the Port of San Diego.

Up Front and Center



As part of the Port of San Diego's Maritime Month celebrations, on May 1 the media was invited to take a behind-the-scenes tour of the Port of San Diego's two marine cargo terminals and Naval Base San Diego.

The tours provided participants with an up-close look of the working waterfront and an opportunity to learn more about the maritime industry. Although affected by the nation's economic downturn, the Port's maritime business began to rebound in 2010, handling 10,000 more automobiles, 10,000 metric tons of fuel and 200,000 more tons of bulk shipments than in 2009. Aggressive efforts are under way to prepare the maritime terminals to meet future demand expected as the economy improves.

Photographers and television camera crews had an excellent opportunity to capture visuals aboard Pasha Hawaii's Jean Anne and were given a personal tour of the National City Marine Terminal by John Pasha, Senior Vice President, Pasha Automotive Services. As you can see, John had a very attentive audience!





Ship Shape with the Marjorie C Progress continues on the construction of the Marjorie C

in Pascagoula, MS.

Our last update was a milestone event - the first steel cutting. Since then, over 75% of the steel for the vessel is now cut to size and is being transformed into modules, which will then be assembled according to the build strategy for the vessel. This complicated effort is overseen by Bill Skinner, CEO of VT Halter Marine, and his experienced management team. The modules now can be assembled on new concrete lay-down areas. The first module was erected July 18 on the ways where the ship is being constructed. (The nautical term ways is an alternative name for slipway, and is where the vessel will launch. A ship undergoing construction in a shipyard is said to be on the ways).

Approximately 500 skilled workers are employed on this Mississippi shipbuilding project. Led by Tom Sofyanos, SeaTechnology is Pasha Hawaii's project supervisor at the shipyard. This knowledgeable team works closely with the shipyard to ensure the highest quality standards are met. Up to 30 modules per month will be erected until late in 2013, when the Marjorie C is scheduled to launch and delivered to Pasha Hawaii to join our growing fleet.



On January 27, 2010, Siem Car Carriers, Pasha Stevedoring & Terminals, and Pasha Automotive Services (PAS) loaded the first Chrysler export cars out of the Port of Grays Harbor in Aberdeen WA. That day 221 units left the port destined for China. Flash forward to August 22, 2012, just two-and-a-half years later, and the 100,000th vehicle sailing out of Grays Harbor. The number of Chrysler exports shipped out of Grays Harbor greatly exceeds the estimated 25,000 units a year anticipated at the inception of this business, demonstrating a healthy growth for these partners in transportation.

Car Carriers and Port of Grays Harbor welcomed Chrysler executives at a ribbon cutting ceremony held on the dock to celebrate this milestone event, as the 100,000th export vehicle processed for Chrysler by Pasha Automotive Services was loaded onto a Siem Car Carrier by Pasha Stevedoring & Terminals and Local 24. Siem offers liner service sailing every two weeks between the West Coast, Russia, Korea, China and Japan. In partnership with the Port, PAS is now rapidly expanding its operations as new infrastructure and increased rail access are drawing attention to the growing demand overseas for U.S. manufactured vehicles.

Representatives from The Pasha Group, Siem

Bill Lickert Vice President Container Sales Pasha Hawaii

With a 30-year plus record of success in sales, sales management and marketing within the ocean transportation industry at a global level, Bill Lickert joined The Pasha Group December 1, 2011 as Vice President, Container Sales. With the Marjorie C under construction at VT Halter Marine's shipyard in Pascagoula, MS, and in anticipation of her debut into the Hawaii / Mainland trade by the end of 2013, Bill's expertise is already generating interest in Pasha Hawaii's container shipping competencies. He joins an exemplary team, with Reggie Maldonado, Merle Kelai, Al Mishima and Jonathan Ho based in Honolulu. On the Mainland are Mike Hopkins, Andrew Aguiar, and Dana Surbaugh, and a dedicated inside sales crew led by Sue Sullivan.



Briefly explain your role as Vice President of Container

This position is primarily responsible for identifying, quantifying, and qualifying the potential universe of customers in the Hawaii container market and, from that knowledge, building a sound, strategic marketing and sales business plan to optimize our revenue and profits. In order to execute that plan successfully, an outside and inside sales organization must be recruited, trained, directed, and well positioned geographically. My role is to lead and manage this team, develop the message, and ensure that the sales force is knowledgeable and well supported. Other critical efforts and contributions are towards longer-term strategic planning, overall product and process design, marketing and public relations, sales promotion and event planning. I am directly and personally involved in building relationships between the Pasha organization and the critical key customers in the Hawaii container trade.

What is your background in the industry?

While I have been in sales since graduating from the University of Georgia in 1979, I first became directly involved in container shipping in late 1981 while pursuing my M.B.A. in International Business at Georgia State University. While there, I worked for AJC International, an import-export trading company that moved food products all around the world. My role was to investigate and price the most effective, economical way to move goods via container to and/or from all parts of the world.

In late 1983, I joined Hong Kong based OOCL, one of the top ten container shipping companies, to handle the major auto companies, Kmart, and other Fortune 500 companies. To support my wife's career, I left OOCL for a while to move to Washington, D.C. where I worked for Hapag-Lloyd in Baltimore, and later with an offshoot of AJC as a worldwide poultry trader. (My partner and I were one of the largest suppliers of U.S. frozen poultry to Asia and Micronesia moving approximately 500 refrigerated containers per month.)

I rejoined OOCL in early 1990 and was promoted in early 1992 to Transpacific Trade Director with responsibility for North American sales and strategic planning, a position I held until 2000. Prior to joining Pasha, I was Vice President of North American Sales for Wan Hai Lines, as well as assisting a start-up NVOCC in their business development. Overall, I have been in the container shipping world for over 30 years.

What is the best way to keep a competitive edge?

Constantly cultivate your understanding of the market, always seek new opportunities, create an organizational environment that promotes creativity and the free flow of ideas, mandate continuous improvement, consistently do what you say you are going to do, know what your brand is, and ensure that the entire organization is aligned accordingly.

What do you anticipate is going to be at the top of your agenda over the next year?

Continuing to develop our understanding of the market, constructing a sound strategic business plan, building the aforementioned customer relationships, recruiting and building the Pasha Hawaii container sales and pricing organization, message development, and providing critical input to the overall product design. All of which will be vital to our success.

What do you like most about the container sales field?

The containerized shipping industry allows a tremendously broad perspective of international business that most people do not have the benefit of seeing. I have had the great benefit and pleasure of working with industry leaders in apparel, fashion, automobiles, agriculture, furniture, office supplies, electronic goods, toys, footwear, Big Box retailers, and the list goes on and on. It has afforded me the opportunity to travel extensively across the U.S. and internationally. After spending 30 years primarily in the Asia and European markets, Hawaii offers a wonderful opportunity to learn and compete in a new market, make new friends and business relationships, and work for a company committed to quality and its people. The value of people, the family spirit and culture, is widely espoused but not often truly delivered. At Pasha it is genuine.

What do you believe are your most important professional qualities and/or your greatest strengths?

My ability to build trust and relationships. My strategic thinking and, perhaps most importantly, the ability to convert the 30,000 foot vision into a practical, executable, successful plan and leading a team to deliver on that plan.

What makes a good sales person?

First, the same qualities that make a person good at anything. Dedication, perseverance, competitiveness, drive, selfmotivation, organization, negotiation skills (we all negotiate), emotional maturity, etc. More specific to sales, perhaps, I would say that to be successful one must always have an objective in mind in each and every customer contact situation, whether it is a simple phone call, e-mail, social outing, or full-blown presentation meeting. You have to know where you are going if you expect to have any chance of getting there.

How will Pasha Hawaii's customers benefit from this new service?

Obviously for the auto, household goods, military, and oversized cargoes currently being served by the Jean Anne, one of the major benefits the Marjorie C will bring is that we will now be able to offer a reliable weekly service from Southern California. For the newest market we are entering, namely the container market, the benefit will be that Hawaii container shippers will have an alternative to Matson and Horizon. What that alternative looks like from a service structure and pricing standpoint is still being shaped and molded as we access deeper insight into and feedback from the marketplace. Our learning curve has been, and will continue to be, steep but the end result will be, has to be, a meaningful value proposition that will resonate with the widest possible cross section of the Hawaiian containerized market.





Clear Sailing

Growing with Grays

In January 2009, Pasha signed a Memorandum Of Understanding with the Port of Grays Harbor to begin handling Ro-Ro cargo at the Port's main terminal T-4, and has now reached an agreement to continue on this path for 20 more years. From an initial 25-plus paved acres, 37 railcar spots and manual facilities for processing, Pasha Automotive Services (PAS) has grown to 120 rail car spots as a result of the Port's \$3.5 million rail improvements in 2010. By December 2012 the new agreement calls for 45 paved acres and a fully automated car wash, undercoating pits and a cutting-edge facility for processing and assembly. Job opportunities have also increased exponentially. PAS employs 80 full-time teamsters from Local 252 and a dozen personnel who are all cross-trained to operate a seamless process from rail unload to staged 'ready to load.' Over the last two years PAS has brought in several new clients to strengthen its customer base. Pasha Stevedoring & Terminal Services has added grain/dry bulk, liquid bulk and paper pulp customers to its roster of stevedoring customers and has enjoyed the teamwork displayed by Local 24 longshoremen. We celebrate the Pasha vision for Grays with the Port and the vital infrastructure that has us poised for future success with a group of motivated and innovative partners.

The 'team spirit' and tireless efforts of our staff and Union employees has won the loyalty of our customers and helped us grow the business in Grays Harbor. The future is very bright!

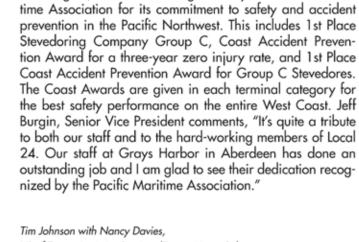


The Honor Goes To..

Recognizing

Director and General Manager of Pasha Hawaii Logistics, Tim Johnson, was only too pleased to accept the award from Toyota Logistics Services for 2011 Outstanding Achievement in Quality/Damage Frequency in the Export Marine category. Tim notes, "It is the coordination of efforts by the stakeholders of all divisions serving the Toyota automotive account that resulted in this award. The leadership and accountability by Pasha Automotive Services, Pasha Stevedoring and Pasha Hawaii drove the favorable results, as recognized by this prestigious customer."

Pasha Distribution Services (PDS) received American Honda's Premier Partner Award for providing excellence in transportation and logistics services. Ed John, General Manager, who accepted the award from American Honda President and CEO Tetsuo Iwamura, remarks, "PDS is one of 15 award recipients selected from 41 suppliers nominated by America Honda associates nationwide. This is the eighth time PDS and The Pasha Group have been honored since the inception of this prestigious award program in 1998. We strive to be the best at whatever we do every day. The Premier Partner Awards were established to recognize suppliers who embrace American Honda's philosophy of exceeding customer expectations.



For the third straight year, Pasha Stevedoring & Terminals,

with operations in Southern California and Aberdeen,

Washington, has been recognized by the Pacific Mari-

VP of Toyota Logistics Services/Toyota Motor Sales





COMMUNITY CORNER



Because We Care

Each year we seek out foundations that have a broad reach in the services they provide and who can really use substantial support from our company. An economy that is still slow to rebound means this support is needed more than ever. Pasha recognized two outstanding charities with its annual corporate contribution at the end of 2011. Feeding America, which we have honored in the past, addresses the needs of millions of Americans who are still struggling with hunger. Our second charity, new to The Pasha Group's annual giving list, is the Children's Health Fund. Over the years, this foundation has cared for a countless number of children, providing medical attention that gives each of them an opportunity to grow and thrive.

For more information on these worthwhile organizations, please visit www.feedingameria.org and www.childrenshealthfund.org.

Sony Open 2012

For four years, Pasha Hawaii has sponsored the "Support the Troops" tent at the Sony Open in Honolulu for active military members and their families. The event this year was spectacular, as we were able to open the venue to retired veterans. The response was amazing, and over 1,000 active and retired military personnel visited our hospitality tent over a four-day period. The golf pros who dropped by to say hi to the crowds were gracious in the extreme, signing autographs and posing for many photo ops. Seen here with one of the families is George McNeill, who wound up with a very

The money generated through corporate sponsorships is matched by The Harry & Jeanette Weinberg Foundation, the charity partner of Friends of Hawaii Charities Inc., which has managed and produced the week-long PGA tournament since 1998. It has raised more than \$11 million, benefiting more than 100 local nonprofits each year. The Pasha Group, which has been providing transportation services to the military since its founding in 1947, definitely "supports our troops" at this annual event.

