

For Immediate Release
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ISLAND AIR GETS GREEN LIGHT TO ‘GO LOCAL’

U.S. Government’s Approval of Sale of Controlling Interest in Airline Means New Local Ownership and New Local Management Team Will Guide Airline’s Future Growth

HONOLULU – Ohana Airlines Holdings, LLC (OAH) today announced that the U.S. Department of Transportation has approved its previously announced plans to sell a controlling interest in Hawai’i Island Air, Inc. (Island Air) to PaCap Aviation Finance, LLC and Malama Investments, LLC, two investment companies managed by local investment firm, PacifiCap.

The government’s approval paves the way for the recapitalization needed to fuel Island Air’s plans to acquire additional aircraft and expand interisland service, and for a new local management team to guide its future growth and expansion.

OAH, owned by Larry Ellison, will retain a non-controlling interest in Island Air and will continue to partner with the new local owners as they move forward with a local management team tapped to oversee the airline’s expansion plans.

Dave Pflieger, who joined Island Air as CEO in 2014 and presided over the airline’s successful restructuring and turnaround efforts, will turn the reins back over to Les Murashige, who will become Island Air’s President and CEO, effective Feb. 8. Murashige was president of Island Air from 2012 to 2013 and has been serving on the airline’s transition team. Rounding out the incoming team of officers are Chief Commercial Officer David Uchiyama, a veteran Hawai’i sales, marketing and visitor industry executive, and Chief Operating Officer Rob Mauracher, a seasoned airline executive who previously lived in Hawai’i and served as CEO of Island Air from 2004 to 2007.

“Having grown up on Kaua’i and lived in Hawai’i all my life, I have a great appreciation for the importance of having more access and options for interisland travel,” said Murashige. “It’s an honor to return to the helm of this storied airline, and I look forward to working together with our new owners, our Board and the terrific men and women of Island Air to ensure we remain Hawai’i’s local alternative for interisland travel,” said Murashige.

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“It has been a genuine pleasure to work with Dave and the other members of the Ellison team to get this transaction approved and move the company forward. We are looking forward to continuing that partnership as we build a strong second airline for Hawai‘i,” said PacifiCap founder and Managing Director Jeffrey Au. “Our recent announcement to return to Kaua‘i and restore service and create jobs at Līhu‘e Airport is an indication of the great things we have in store for our airline and for the people of Hawai‘i,” Au added.

On January 21, 2016, Island Air announced it will restore service to Līhu‘e Airport with six daily round-trip flights to Honolulu, effective March 15, 2016. In addition to providing increased interisland seat capacity, Island Air’s return to Kaua‘i is expected to help boost the local economy by adding 32 local jobs on Kaua‘i and O‘ahu.

“This acquisition and recapitalization was facilitated by the outstanding work of Dave and the entire Island Air team. We are incredibly appreciative of Dave’s leadership and the operational improvements he and the team were able to accomplish in such a short amount of time. We now look forward to taking the airline to greater heights,” said Murashige.

“It has been a privilege to work with the talented people at Island Air. I leave confident knowing that the airline and its fantastic people are in extremely capable hands. Together they represent the best of local ownership and local service – the heart and soul of Island Air,” said Pflieger, who is leaving the airline to work directly for Ellison.

About Island Air’s New Leadership Team

Les Murashige, President and Chief Executive Officer

Les Murashige has more than 40 years of experience in Hawai‘i’s aviation industry and has played an important role in Island Air’s history over the years during key transitional periods for the airline. He first joined Island Air in 2004 after it was spun off from Aloha Air Group and served as chief operations officer before retiring in 2009. In 2012, Murashige returned to Island Air and served as president and chief operating officer and stepped down in 2013. Murashige also has served in various capacities for Mid-Pacific Airlines, Hawaiian Airlines and Aloha, and has worked as an airline industry consultant. Born and raised on Kaua‘i, Murashige is currently a member of the Community Advisory Board for PBS Hawai‘i and the Board of Directors of Hawai‘i Teachers Standards Board.

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David Uchiyama, Chief Commercial Officer

David Uchiyama has more than 37 years of local sales, marketing and branding experience in Hawai'i's visitor industry and business community. Prior to his most recent position as vice president of sales and marketing for Hawai'i Gas, Uchiyama served as vice president of brand management for Hawai'i Tourism Authority from 2007 to 2015. In this role, he oversaw marketing and brand positioning for Hawai'i's travel industry in major markets of North America, Japan, China, Korea, Taiwan, Australia, New Zealand, Europe and Latin America. He also served for 11 years (1996-2007) as regional director of communication for Starwood Hotels & Resorts in Hawai'i and French Polynesia where he oversaw all advertising, public relations, promotion and civic and community outreach. Uchiyama has also held positions as director of special projects at Paradise Cruises, corporate director of marketing at Otaka Hotels & Resorts and vice president of Gray Line Hawai'i. Uchiyama has been a member of or served on committees of various local organizations, including Honolulu Japanese Chamber of Commerce, Hawai'i Hotels & Lodging Association, Central YMCA, Sheraton Hawai'i Bowl Executive Committee of the Hawai'i Bowl Foundation, Executive Committee for the Grand Slam Club, University of Hawai'i Baseball and Hawai'i Visitors and Convention Bureau Tourism Strategic Planning Committee.

Rob Mauracher, Chief Operating Officer

Rob Mauracher has more than 35 years of aviation industry experience in Hawai'i, the U.S. mainland, Canada and the Caribbean, including four years as CEO of Island Air from 2004 to 2008 when he oversaw the expansion of the airline after it was sold by Aloha Airgroup. Mauracher most recently served as president of the Summit Aviation Group, a regional passenger, cargo and helicopter entity that serves Northern Canada. He also has held senior executive roles with Viking Air, Bombardier Aerospace, Air Jamaica and Canadian Regional Airlines. Mauracher is a licensed aircraft maintenance engineer.

About Island Air

Island Air is the value leader in the Hawaiian Islands, offering over 224 convenient flights each week between O'ahu, Maui, Lāna'i and Kaua'i. The affordable alternative for interisland travel, Island Air's 64-seat ATR-72 aircraft are able to provide captivating up-close views of Hawai'i's remarkable landscapes. Founded in 1980 as Princeville Airways, the company was renamed Island Air in 1992 and has been proudly serving the islands of Hawai'i for 35 years. For more information and special offers, visit IslandAir.com.

For more information about Island Air, visit www.islandair.com or call (800) 652-6541. Let us know how we are doing on Yelp or TripAdvisor or just stay connected by liking Island Air on Facebook at www.facebook.com/islandairhawaii, or follow @IslandAirHawaii on Twitter and @IslandAir_Hawaii on Instagram.

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About PacifiCap

PACIFICAP is Hawai'i's largest locally based venture capital investment firm. Since 2000, PACIFICAP has led or co-invested in financing rounds that have raised more than \$600 million in investment capital for PACIFICAP's high technology, media and emerging growth portfolio companies.

Headquartered in Honolulu, Hawai'i, PACIFICAP currently manages affiliated Hawai'i-based venture capital funds, whose more than 150 investors have included the State of Hawai'i, nonprofit foundations, financial institutions, insurance companies, local and regional businesses, as well as high-net-worth individuals and families.

PACIFICAP's management team, coupled with its close strategic and investment relationships, provides it with deep industry and market knowledge in the areas of software development, telecommunications, healthcare, military dual use technologies, digital media, tourism, alternative energy, film and TV production and international transactions.

While PACIFICAP's experience and perspectives are global, PACIFICAP's roots and heart in Hawai'i are local and go back more than a century and four generations. PACIFICAP's team members care very deeply about perpetuating the legacies of economic opportunity and social mobility that Hawai'i's prior generations worked so hard to provide for them. At the same time, they have the experience and perspectives to pursue and realize global opportunities. Collectively, the PACIFICAP team speaks nine different languages and dialects, including, English, Mandarin, Cantonese, Shanghainese, Japanese, French, German, Spanish and Hawaiian Pidgin English.

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