

PASHA PEOPLE

The Pasha Group News and Information Source Volume 11 Spring 2011



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

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Our name stands behind every move™

Pasha Hawaii Expands Its Fleet WILL PROVIDE WEEKLY SERVICE

Pasha Hawaii has come a long way from the summer of 1999 when the new shipping line first contemplated the construction of the *Jean Anne*. Choosing a proven roll-on/roll-off design that would provide the important competitive elements for participation in the Hawaii/Mainland trade lane, the company contracted with VT Halter Marine's shipyard in Pascagoula, MS for construction of the 579-foot vessel, with ten fully-enclosed decks. It took a few years from the keel laying in 2001 to vessel launch, but we persevered in our vision and mission.

We were aware of the importance of weekly frequency to a number of our clients and accordingly our business plan has always been to provide at least two vessels to the Hawaii market. Pasha Hawaii is therefore very pleased to announce that our second U.S. Flag vessel is set to enter the trade in the fall of 2013. The *M/V Marjorie C* will be constructed by VT Halter Marine, the same yard that delivered the *M/V Jean Anne* to Pasha Hawaii in March of 2005. Both vessels are based on designs by the Ulanik Shipyard in Croatia, which has collaborated with VT Halter Marine and Pasha Hawaii on the new ship's blueprint and design particulars.

The *Marjorie C* will present a different look to our shipping audience. She is bigger (692 feet), her stern ramp is rated up to 250 tonnes, and her design is a "ConRo" – a flexible combination of containers and roll-on/roll-off cargo. She will boast a capacity of 1,500 container TEUs and 2,750 automobiles. Her design will allow her to call ports on Maui and the big island of Hawaii directly – the only container vessel able to do so. Weekly service, and the addition of containers to our cargo mix, brings new opportunities for Pasha Hawaii to grow our customer base. It also brings added value to our current clients and to the people of Hawaii, who have extended such a warm welcome to us over the years. We are grateful for the support, and very pleased to announce that Honolulu will be the home port for the newest member of our fleet.

Inside this issue we invite you to take a closer look at the new vessel's design elements and specifications, and a look into the life of the woman who gives her name to the *Marjorie C*.

Making Waves



Jean Anne Celebrates

As we navigate through 2011, Pasha Hawaii's *Jean Anne* has a lot to celebrate. Singled out twice in 2010 by the Chamber of Shipping of America, she was presented in June with the Jones E. Devlin Safety Award, and in November was granted a Certificate of Environmental Achievement. In its 2005 annual *American Ship Review* issue, *Professional Mariner Magazine* honored the new 579-foot roll-on/roll-off vessel as its 'Ship of the Year.' As the first modern pure car/truck carrier built to meet the special requirements of the Jones Act, which sets standards for U.S.-flagged cargo-hauling ships, they called her "one of a kind." On March 8 of this year, *Jean Anne* accomplished 150 successful roundtrip transpacific crossings. Through six years of calm and stormy seas, she has logged almost 720,000 nautical miles. She cruised into her 7th year of service March 21, and now eagerly waits for the *Marjorie C* to join the fleet.

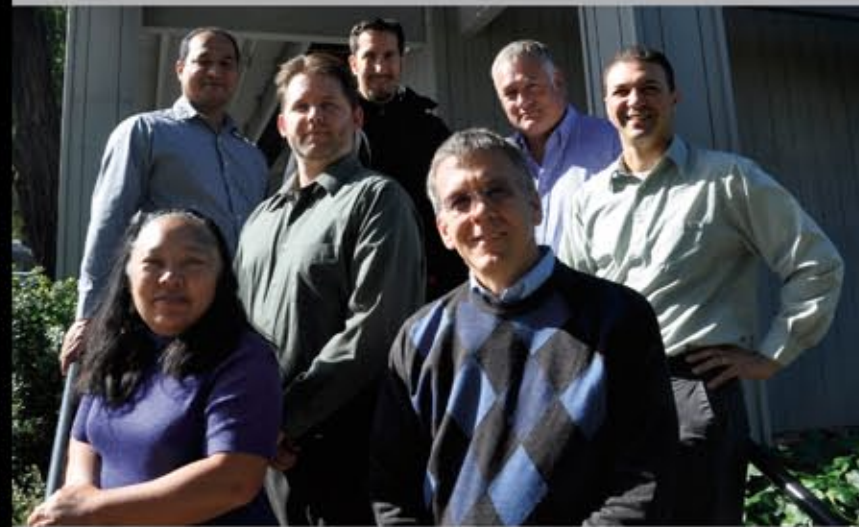
The *Jean Anne* has definitely exceeded our expectations. Our direct calls to the major ports of the Hawaiian Islands and the flexibility of our service have proved to be highly advantageous to our customers, whose support has never wavered. That support has been paramount to our success and encouraged us to grow our business.



A High Ranking Group

IT Services celebrates its 5th place ranking in the Logistics & Transportation sector of 2010's InformationWeek 500 – a list of the top technology innovators in the U.S. Selected 73rd overall out of the total 500, Pasha was acknowledged for its cutting-edge Disaster

Recovery Initiative. David Beckerman, IT Services Senior Vice President, notes, "This award recognizes The Pasha Group's investment and IT Services' commitment to providing cost-effective solutions relying on innovation, while demonstrating business value."



Front: Karla Upton, Joe Mueller. Middle: Justin Brown, Paul Franjeh. Back: Sadfar Panhwar, Dan Limon, Frederic Geneaux

PST Dry Bulk Expertise Helps Set Record Year at Grays Harbor

Pasha Stevedoring & Terminals is well known for its 20 years of handling U.S. West Coast steel imports in the Port of Los Angeles. But steel isn't the only ocean cargo that PST excels in handling. In partnership with the Port of Grays Harbor, in Aberdeen WA, PST has brought its expertise to AG Processing. AGP, a farmer-owned cooperative, is the largest soybean meal cooperative in the world. For the past seven years, Terminal 2 at Grays Harbor has been AGP's West Coast export hub for dry bulk products destined for Pacific Rim Markets, and PST has been the stevedore of choice with the 2009 award of the grain contract. The facility includes enclosed conveyors that transport product from the receiving building through a sampler and incline scales directly into the vessel. 2010 was a record year for PST, Grays Harbor and AGP with over one million metric tons put on board for export. On the heels of this record year at the Port of Grays Harbor ship loading facility, AGP is increasing the storage capacity by 33% by adding two more silos to its six-silo expansion plan, for a total of eight silos. Look for more records to fall at Grays Harbor in 2011!

We Can See Russia from Here

A new customer for PST at Grays Harbor is TransNET, Inc., a transportation and logistics consulting firm that handles commercial and project cargoes destined for the Russian Far East. Founded in 1994 by Peter Moe, Sr., Chairman of TNI, the company is an approved vendor for the Russian government. TNI notes that development of new and updated infrastructure for the remote and geographically challenging Russian Far East is an international priority, with access to the area's rich natural resources an important factor for Russia's economic growth. PST's proficiency in handling Over High and Wide cargo makes this a good fit for TNI, PST and Grays Harbor.

Safety First

PST continues to rack up Pacific Maritime Association safety awards, from the Pacific Northwest to Southern California. For the second consecutive year, the Group C Grays Harbor team took the first place Safety Award for Stevedoring, first place for Accident Prevention for a Two-Year Zero Injury Rate, and second place for PNW Coast Accident Prevention. PST has instituted a training program with the PMA and Local 24 for roll-on/roll-off vessels, which will assist in better utilization of space while loading out of Grays Harbor while maintaining its excellent safety record.

And in Los Angeles, our Group B stevedores placed First Place for Coast Accident Prevention, second place for Accident Prevention in the Los Angeles/Long Beach area, and second place, Southern California, for Reduced Injury.



Grays Harbor team: Cale Templeton, Kenny Padgett, Mason Parke, Wray Bartling, Donald O'Leary, Danny Trani, Mike Abazis, Mark Kuha, Brandon Blair. In front is Rudy Kampilla

Friends and the event's charity partner, The Harry & Jeanette Weinberg Foundation, Inc., have generated more than \$10,000,000 since 1998. Pasha Hawaii is proud to be a sponsor.



Pasha's Chuck McCann and a Fort Shafter service member flank PGA Pro Rory Sabbatini, one of the golf pros who visited the tent to autograph hats and balls for our military guests (Rory not only finished in the money at the Sony, he won the Honda Classic in March by one stroke!).

proximity to local and regional markets, a highly skilled and efficient workforce, and plenty of capacity to grow."

George Pasha, IV, Chief Executive Officer notes, "A 30-year agreement not only provides a long-term service solution for our OEM customers, but also for our company in supporting our investment in long-term assets such as the *Jean Anne* and our new vessel, the *Marjorie C*, both of which will serve the Hawaii market for at least 30 years."

2010 saw Pasha Automotive Services reach the four million mark in automobiles imported over the dock in San Diego, and celebrate their 20 years of operation at the NCMT. Now we're looking forward to attaining the half-century mark in partnership with the Port of San Diego.

A new Terminal Operating Agreement with the Port of San Diego means Pasha Automotive Services will be putting wheels on the ground at the National City Marine Terminal for another 30 years! The agreement, which extends through December 31, 2040, was unanimously approved by the San Diego Unified Board of Port Commissioners on December 7, 2010.

The new agreement offers long-term stability to Pasha's clients and brings new cargo opportunities for the NCMT. Besides automobile imports and transportation services, Pasha can pursue general cargo, as approved by the Port District.

Pasha Automotive Services Vice President, John Pasha, comments, "There is no other West Coast solution like the NCMT which includes five berths, capacity for 180 railcars on site,

Disaster in Japan

We share in the sorrow that the people of Japan are experiencing as the result of the recent devastation. Our association with the country extends back many years. In the 1960s, Japanese automobile importers were among the very first to contribute to our growth and success. Our maritime stevedoring group has also developed strong ties over the years with many Japanese shipping lines. With company locations on Okinawa and in Yokohama, we are firmly entrenched in the country. We are grateful that our employees and their immediate families survived the earthquake and massive destruction caused by the ensuing tsunami, but the effects of this disaster will not be easily overcome. Our office staff on the ground is doing the best it can to network and add whatever logistical aid we can offer, and our corporate headquarters is extending financial aid to both the Red Cross and Doctors Without Borders. The Pasha Group and the Pasha family have a longstanding and deep appreciation of Japan and its culture and we are grieving over this tremendous loss to a country we admire and respect.

2010 Annual Giving

The Pasha Group has always recognized the importance of providing ongoing support, both globally and on the domestic front, for those worthwhile organizations that accomplish their mission to aid those in need and in crisis. We are privileged to have chosen both UNICEF and Feeding America as our 2010 recipients, who are doing an outstanding job to help children and families struggling in these difficult economic times.

2011 Sony Open

Pasha Hawaii has, for the third year, hosted the military "Support our Troops" tent at the 2011 Sony Open, a gratifying experience that enriches our relationship with the dedicated members of the armed forces, and also contributes to the Friends of Hawaii Charities, Inc. The Sony Open is the Friends' flagship fund-raising event in Hawaii as the PGA TOUR golf tournament kicks off at Waialae Country Club each January. The group generates needed funding for Hawaii's not-for-profit organizations that benefit women, children, youth and needy programs.

A New Road Ahead



Community Corner

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Marjorie C

Marjorie Catherine McCarthy Ryan, a woman of great spirit and adventure, was the mother of Janet Ryan Pasha, (the wife of Pasha's Chairman, George Pasha, III). A mother, grandmother and great-grandmother, Marjorie was a spunky and competitive woman. A fantastic bridge player who played for keeps, she loved to win, and usually did. She enjoyed a remarkable relationship with her extended family and was much admired for her very active participation in the many life celebrations of the Ryan and Pasha families.

Marjorie had little use for lakes, and her vacations were carefully planned to take her close to the sun and the sea. The Pacific Ocean she so loved will surely surround her namesake, the *M/V Marjorie C*, with fair winds and following seas as she carries her cargo safely to shore. As she joins the *M/V Jean Anne*, we appreciate the opportunity to remember these two women who played such significant roles in the lives of the Pasha family, and whose heritage we embrace every day.

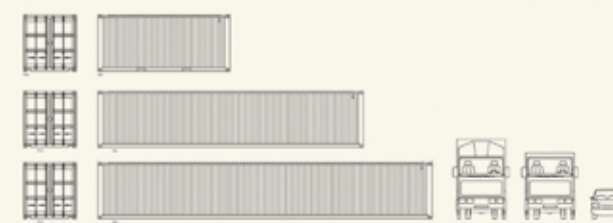


Jean Anne



MV MARJORIE C PASHA HAWAII

HAILING PORT	HONOLULU
LENGTH OVERALL	692ft.
BEAM	106 ft.
DRAFT	31 ft.
DEADWEIGHT	26,600 tonnes
QUARTER STERN RAMP CAPACITY	250 tonnes
QUARTER STERN OPENING	39.4 ft Wide x 21.4 ft High
CONTAINER CAPACITY	1500 TEU's
AUTOMOBILE CAPACITY	2750



Meet the Marjorie C!

When she launches at the end of 2013, the *M/V Marjorie C* will ply the waters between Hawaii and California crossing paths with the *Jean Anne*, allowing Pasha Hawaii to offer weekly service. This additional service and capacity will allow us to handle the needs of this trade lane more efficiently, while delivering value to a broader range of customers. With a weekly shipping schedule, auto manufacturers will enjoy this augmented capability by handling peak shipping periods more effectively, as will shippers of heavy / over high and wide rolling stock and other cargoes. This carefully designed ConRo vessel will have the ability to carry approximately 1,500 TEUs above and under deck, as well as 2750 vehicles and over high and wide cargo. Along with ten cargo decks, a stern ramp rated at 250 tonnes and a

door entrance 39 feet wide by 21 feet high, she will offer a greater capability for our shippers of extreme over high and wide cargoes.

Reggie Maldonado, Pasha Hawaii General Manager adds, "Many of our customers encouraged us to diversify our capability. Our second vessel will both better serve this market and provide increased frequency and superior reliability."

CEO George Pasha comments, "We will keep a continued focus on maintaining our high performance standards, which have been outstanding over the last five years. Pasha Hawaii and the *Marjorie C* will introduce this same standard of service for our container business, while continuing to add value for our customers."

