

## **QUESTIONS & ANSWERS ABOUT CHAPTER 11**

### **QUESTIONS CONCERNING EMPLOYEES**

#### **Is this a reorganization or a liquidation?**

The Company has filed for protection under Chapter 11 of the US Bankruptcy Code and is seeking the Court's approval to allow us to continue running our business.

#### **Why did this suddenly happen?**

Fuel prices have been soaring. Late last week the price of crude oil hit an all-time record high of \$111 a barrel. With jet fuel today at \$3.22 a gallon, that means an additional \$71 million annual hit to the Company's bottom line at a time when we have not been able to raise fares to generate sufficient revenue to cover increased fuel costs. With no relief in sight, we were left with no other alternative but to file.

#### **Does this mean that Yucaipa has stopped funding Aloha?**

Yes

#### **Does this have an impact on my work schedule?**

Unless told otherwise by your supervisor, you should continue to report to work as scheduled.

#### **Will I still receive my paycheck?**

Aloha intends to continue to meet its payroll obligations as long as the Court allows us to continue to operate our business.

#### **Will medical coverage continue for me and my family? Will my other benefits remain intact?**

Aloha intends to continue to offer employees medical and dental benefits as long as the Court allows us to continue to operate our business.

#### **Will this filing change vacation, sick leave or other leave benefits?**

We are asking the Court to allow us to continue operating our business so that we can continue offering these benefits.

#### **Will there be layoffs?**

At this time we do not anticipate layoffs.

**Will employees continue to receive paychecks?**

Aloha intends to continue to pay its employees.

**What happens to my 401K in Chapter 11?**

Your 401(k) is protected and will not be impacted by the bankruptcy. If you have any questions, you'll need to contact your provider directly, Fidelity or NYLIM about your account..

**What happens to my life insurance benefits?**

As long as the Bankruptcy Court allows us to continue to operate business as usual, the Company will continue to pay the premiums.

**Do I lose my pension?**

Vested pension benefits are protected.

**If I have a workers' comp claim, will I continue to get my medical treatment covered?**

Yes

**If I have a loan with the Aloha Federal Credit Union and am having automatic deductions from my paycheck, what happens then?**

No change under Chapter 11 bankruptcy.

**If I signed up for the Company's Long Term Care Plan, if I stop getting paid, what happens to my Plan?**

Your plan continues, however, you will have to continue paying the premiums.

**With this filing, what is the status of our new uniform changeover?**

We intend to hold discussions with our uniform vendor.

**With this filing, what happens to our lawsuit against Mesa?**

The Mesa lawsuit continues to be in place regardless of this filing.

**Are we going to continue to migrate to Sabre?**

We are in discussions with Sabre and EDS and based on the outcome, we may delay the implementation and stay on the Shares system for the time-being. However, if we can reach an understanding with Sabre, we may continue with the implementation as planned. The go-forward plan will be announced in the next few days.

**Are we going to implement the new kiosks?**

We have also entered in to discussions with IBM. If we implement Sabre we would like to implement the new kiosks at the same time. The outcome is dependent on successful discussions with IBM. Should we postpone this project we intend to restart it as soon as we can. The go-forward plan will be announced in the next few days.

**Will other current technology initiatives be stopped?**

We will postpone non-critical projects that require external support such as consulting, software and hardware expenses.

**QUESTIONS CONCERNING CONSUMERS**

**Will tickets, coupons and reservations for future Aloha flights be honored throughout the reorganization process?**

We will be asking the Bankruptcy Court to allow us to continue operations so that we can honor existing reservations, accept new reservations, and carry on our cargo and contract services businesses. As long as the Court accepts our financial plan to continue operating, it should be business as usual

**Does the Chapter 11 filing affect the AlohaPass frequent flyer program?**

As long as the Court allows us to keep operating there should be no change to the AlohaPass program.

**What if I am holding a reservation and will be traveling in the next 48 hours, can I still expect my Aloha flight to operate?**

Yes as long as the Court allows us to operate.

**Will the Aloha AirAwards Card continue to earn mileage?**

Yes as long as the Court allows us to operate.

**Will this affect the safety of Aloha Airlines operations?**

Safety will always remain Aloha's top priority.

**Will this mean a reduction in inter-island or transpacific flight schedules?**

At this time we are not anticipating any reduction.

**Will there be any changes to Aloha's air-freight cargo service?**

At this time we do not anticipate any changes.

**Will there be any changes to Aloha's contract service business?**

At this time we do not anticipate any changes.

**Can passengers request a refund for unused unrestricted refundable tickets?**

YES. There are no changes to Aloha's refund and ticketing policies.

**How do I get more information?**

Go to Aloha's Web site at [www.AlohaAirlines.com](http://www.AlohaAirlines.com) where information will be updated as it becomes available.