



P.O. Box 30028
Honolulu, Hawaii 96820

March 20, 2008

Dear Fellow Team Members:

Today we had no choice but to file again for protection under Chapter 11 of the U.S. Bankruptcy Code and seek Court approval of a financial plan to allow the continued operation of the Company.

We find ourselves the victims of events and financial forces beyond our control. The immediate reason for our return to Chapter 11 is the ever-increasing rise in fuel prices – with no relief in sight. The simple fact is that despite our efforts to raise fares, revenue from our core inter-island operation cannot cover our costs in the aggressively competitive market created by the entry of Mesa's go! airline.

While we have a huge challenge before us, rest assured that your senior management team remains focused on protecting your jobs and continuing to serve our loyal customers and the communities that have so faithfully stood behind us for so many years.

Like you, I am dismayed and disappointed that we have had to take this action after we have all worked so hard to build one of the best-run airlines in the country.

It's crucial that we all stay focused on our jobs to keep this company moving forward. Thank you for your continued support as we work our way through this latest challenge.

Regards,

**Dave Banmiller
President & Chief Executive Officer**