



LOCAL HAWAII INVESTORS TO ACQUIRE CONTROLLING INTEREST IN ISLAND AIR

News / Finance



Larry Ellison's Ohana Airline Holdings, LLC announced that it plans to sell a controlling interest in Hawaii Island Air, Inc. (Island Air) to PaCap Aviation Finance, LLC and Malama Investments, LLC, two investment companies managed by local investment firm, PacifiCap. The sale, subject to U.S. Department of Transportation approval, will support Island Air's successful restructuring and turnaround efforts with the recapitalization needed to acquire new aircraft and expand interisland service for the people of Hawaii.

"We are thrilled with the opportunity to partner with Mr. Ellison and his team to create a strong second airline for Hawaii," said PacifiCap founder and Managing Director Jeffrey Au. "Like Hawaii itself, we may not be big, but we can be great. We believe that having local owners and managers will allow us to provide the kind of reliability, seat availability and service that our fellow kama'aina deserve." PacifiCap is Hawaii's largest locally based venture capital investment firm.

OAH will retain a non-controlling interest in Island Air and will continue to partner with the new local owners as they move forward with their expansion plans. To further ensure business continuity, a transition team comprised of PacifiCap's Jeffrey Au, Island Air CEO Dave Pflieger,

and former Island Air executive Les Murashige will ready the airline for its next chapter.

“We recognized that committed local ownership would serve Island Air’s best interests in the long term, and are very pleased that such a well-regarded investor group as PacifiCap, with deep roots in Hawaii, is now taking the helm,” said Island Air Chairman of the Board Paul Marinelli. “Born from Aloha Airlines, Island Air has a long history of local ownership and local service and we feel honored to have helped preserve and restore its proud heritage.”

“This acquisition and recapitalization are tremendous validations of the successful restructuring of Island Air and the outstanding work done by the Island Air team to become Hawaii’s local alternative for interisland travel,” said Au.

“This is great news for our airline, our business partners, our loyal customers and our dedicated team members,” noted Pflieger. “Attracting a new owner is a fantastic testament to our team here at Island Air and what they’ve been able to accomplish over the past year. This purchase and partnership mean that the company will be able to move forward with plans to acquire more aircraft and to grow in key interisland markets, which will provide opportunities to create more jobs.” The airline has plans to add additional ATR-72 aircraft to its fleet.

In 2015, Island Air delivered dramatic improvements in commercial performance and operational reliability, and it realized an unprecedented zero finding on its initial safety and operations audit by an International Air Transport Association (IATA) auditor, which makes more code sharing and interline partnerships possible with domestic and foreign carriers.

“With Island Air’s team of hard-working professionals committed to the long-term success of this airline, I am confident that Island Air is poised to soar to even greater heights,” Au said. “This vote of confidence by local investors will benefit our local community in Hawaii by providing more access and options for interisland travel. We understand that for many local people, interisland travel is not a luxury, but a necessity.”

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