

Boeing Capital and Corporate Recovery Group File Plan for "New Hawaiian Airlines"

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Boeing Capital Corporation and Corporate Recovery Group, LLC (CRG) today announced the filing of a joint reorganization plan that will recapitalize Hawaiian Airlines and return former CEO Bruce R. Nobles to the helm of the restructured company. The plan, filed Tuesday in U.S. Bankruptcy Court, is subject to approval by the court and by the airline's creditors.

It is in the best interests of the airline's passengers, employees and creditors to see Hawaiian effectively and promptly reorganized, said Nobles, who led Hawaiian Airlines through Chapter 11 bankruptcy and initiated the airline's turnaround before leaving Hawaiian in 1997. This airline has enormous potential for a secure, successful future. The Boeing Capital and CRG reorganization plan provides a bedrock for stability that complements Hawaiian Airlines 75-year history of service to Hawaii's residents and visitors.

Under the plan, CRG's group will invest \$30 million of committed equity to recapitalize Hawaiian and fund its operations. Large unsecured claims from creditors will be settled in the form of subordinated notes and warrants to acquire common stock in the new company, plus distributions from a litigation trust. Small unsecured claims will receive a cash distribution equal to 50 percent of their claims. Existing equity in Hawaiian Airlines Inc. will be cancelled.

The ability to exchange notes for the larger unsecured claims really sets this plan apart, said Nobles, who has 35 years of experience in the airline industry. Often, creditors receive only stock in the reorganized company. These notes will be repaid at market rates, providing creditors with an attractive recovery that is higher than is customary in airline bankruptcies.

In addition, this plan contains mutually agreeable revisions to the Boeing aircraft leases, which will result in substantial cost savings to the airline and the continued availability of the new Boeing fleet, Nobles said.

Boeing Capital is among Hawaiian Airlines' largest creditors. It has eleven Boeing 717s and three Boeing 767-300s under long-term leases to the airline.

We have been contacted by a number of parties who have wanted to file a plan to reorganize Hawaiian Airlines, but the CRG group stands alone in terms of its comprehensive and thoughtful business plan, solid funding, and the experienced, seasoned leadership of Bruce Nobles, said Scott Scherer, Boeing Capital's vice president and general manager -- Aircraft Financial Services.

The CRG group has committed to the \$30 million in new equity capital, because we are confident Hawaiian has a strong future with solid leadership from Bruce Nobles, said Ron Orr, a principal with CRG. Having Boeing Capital as a co-proponent substantially enhances the reorganization plan.

I left Hawaiian seven years ago with a good feeling about what we had accomplished, said Nobles. Over the last couple of years I have become increasingly concerned about the management and direction of Hawaiian, and my apprehension was confirmed by the bankruptcy filing. I know what this airline is capable of. I am committed to working with Hawaiian's employees to make the airline strong and secure for their future.

Corporate Recovery Group, LLC, of Wilson, Wyoming provides management and advisory experience, and access to capital to re-engineer and restructure under-performing, over-leveraged or distressed companies. The owners and principals of CRG -- Orr, Allan R. Tessler and Eugene M. Freedman -- have more than 100 years of combined experience in business management and in the legal, accounting, consulting, restructuring, investment and merchant-banking professions.

Boeing Capital Corporation is the financing subsidiary of The Boeing Company. Boeing Capital arranges

Boeing Capital Corporation is the financing subsidiary of The Boeing Company. Boeing Capital arranges, structures and provides financial solutions to support the sale of Boeing products. The company's portfolio is more than \$12 billion, of which more than 80 percent is Boeing airplanes.

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