

# HAWAIIAN AIRLINES, INC.

JANUARY 2004

## FINANCIAL INFORMATION

### **NOTE (1): Cautionary Statement**

To comply with the monthly United States Trustee's Operating and Reporting Requirements for Chapter 11 Cases, Hawaiian Airlines, Inc. (the "Company") is filing with the bankruptcy court its *unaudited* condensed balance sheet as of January 31, 2004, and related *unaudited* condensed statement of operations and cash flows for the one-month period ended January 31, 2004, as well as supporting schedules and other financial information (the "Operating Report"). The Company is in the process of completing its year-end closing process, which is far more extensive than its preliminary monthly closing process. The Company expects that the final preparation and audit of the financial statements for the year ended December 31, 2003, will result in a variety of adjustments, some of which may be material and may have an impact on January 2004 results. Therefore, **the Company cautions against placing undue reliance on the information contained in the monthly Operating Report.** When the Company concludes its year-end closing process and audit, it will report final results in accordance with generally accepted accounting principles.

**HAWAIIAN AIRLINES, INC.**  
**Condensed Statement of Operations (UNAUDITED - See Note (1))**

(Actual amounts in thousands)

	<b>ONE MONTH ENDED</b>
	<b>January 31,</b>
	<b>2004</b>
<b>Operating Revenues:</b>	
Passenger.....	\$ 54,216
Charter.....	971
Cargo.....	2,431
Other.....	2,747
Total.....	60,365
<b>Operating Expenses:</b>	
Wages and benefits.....	18,614
Aircraft fuel, including taxes and oil.....	9,190
Maintenance materials and repairs.....	3,516
Aircraft rent.....	8,936
Other rental and landing fees.....	2,030
Sales commissions.....	320
Depreciation and amortization.....	600
Other.....	11,194
Total.....	54,400
<b>Operating Income (Loss).....</b>	<b>5,965</b>
<b>Nonoperating Income (Expense):</b>	
Reorganization items, net.....	(1,779)
Interest and amortization of debt expense.....	(21)
Interest income.....	-
Gain (loss) on disposition of equipment.....	(7)
Other, net.....	142
Total.....	(1,665)
<b>Income Before Taxes.....</b>	<b>4,300</b>
<b>Income Taxes:</b>	
Income tax benefit (expense).....	-
<b>Net Income .....</b>	<b>\$ 4,300</b>

**HAWAIIAN AIRLINES, INC.**  
**Condensed Balance Sheet (UNAUDITED - See Note (1))**

(Actual amounts in thousands)

	<u>January 31,</u> <u>2004</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents.....	\$ 87,039
Restricted cash.....	54,078
Accounts receivable.....	50,324
Inventories.....	17,644
Prepaid expenses and other.....	19,341
Total current assets.....	<u>228,426</u>
Noncurrent Assets:	
Property and equipment, less accumulated depreciation.....	45,793
Reorganization value in excess of identifiable assets.....	28,320
Other assets.....	47,522
Total noncurrent assets.....	<u>121,635</u>
Total Assets.....	<u>\$ 350,061</u>
<b>LIABILITY AND SHAREHOLDERS' DEFICIT</b>	
Current Liabilities:	
Accounts payable.....	\$ 52,042
Accrued liabilities.....	49,180
Air traffic liability.....	106,713
Total current liabilities.....	<u>207,935</u>
Noncurrent Liabilities:	
Other liabilities and deferred credits.....	170,454
Total noncurrent liabilities.....	<u>170,454</u>
Total Liabilities.....	<u>378,389</u>
Liabilities Subject to Compromise.....	<u>159,599</u>
Shareholders' Deficit:	
Common and special preferred stock.....	285
Capital in excess of par value.....	60,077
Notes receivable from optionholders.....	(1,536)
Minimum pension liability adjustment .....	(112,255)
Accumulated deficit.....	(134,498)
Shareholders' Deficit.....	<u>(187,927)</u>
Total Liabilities and Shareholders' Deficit.....	<u>\$ 350,061</u>

**HAWAIIAN AIRLINES, INC.**  
**Condensed Statement of Cash Flows (UNAUDITED - See Note (1))**

(Actual amounts in thousands)

	ONE MONTH ENDED JANUARY 31, 2004
<b>Cash Flows From Operating Activities:</b>	
Net Income.....	\$ 4,300
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation .....	550
Amortization .....	50
Net periodic postretirement benefit cost .....	374
Loss on disposition of property and equipment .....	7
Increase in restricted cash .....	(1,312)
Increase in accounts receivable .....	(13,768)
Increase in inventory .....	(7,797)
Decrease in prepaid expenses and other .....	2,805
Increase in accounts payable .....	1,820
Increase in air traffic liability.....	7,238
Increase in accrued liabilities .....	2,307
Other, net .....	2,786
Net cash used in operating activities .....	(640)
Reorganization Items, Net .....	(1,779)
<b>Cash Flows From Investing Activities:</b>	
Purchases of property and equipment .....	(483)
Net cash used in investing activities .....	(483)
<b>Cash Flows From Financing Activities:</b>	
Proceeds from optionholders notes receivable .....	24
Repayment of debt .....	(3)
Principal payments under capital lease obligation .....	(90)
Net cash used in financing activities .....	(69)
Net decrease in cash and cash equivalents .....	(2,971)
Cash and Cash Equivalents - Beginning of Period .....	90,010
Cash and Cash Equivalents - End of Period .....	\$ 87,039

**HAWAIIAN AIRLINES, INC.**  
**Traffic Statistics (Scheduled and Charter)**  
**(UNAUDITED - See Note (1))**

**January**  
**2004**

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SCHEDULED TOTAL

PAX	457,123
RPMS	465,398,721
ASMS	580,622,678
LF	80.2%

CHARTER

PAX	4,230
RPMS	11,228,503
ASMS	13,203,317
LF	85.0%

SYSTEM TOTAL (INCLUDES CHARTERS)

REV PAX	461,353
RPMS (000)	476,627
ASMS (000)	593,826
CARGO/MAIL TON MI	6,749,335
LOAD FACTOR (%)	80.3%