

To Our Stockholders:

2011 was another exciting and successful year for Hawaiian Airlines, marked by continued advances in our long-term plan to expand and diversify our business.

The year saw the addition of two more Airbus A330s, bringing the total of this aircraft type to five, with four more due in 2012. These new long-range fuel-efficient aircraft have enabled us to increase our capacity to Seoul and Osaka, and to announce new services to Fukuoka and to New York – Hawaiian's first venture to the East Coast, Hawaii's second largest tourism market.

We were pleased to see Hawaii tourism continue its rebound in 2011 with a total of 7.3 million visitors for the year, an increase of almost 4% over 2010 and approaching the record totals of 2007.

Despite the escalating price of fuel and the travel consequences of the tragic earthquake and tsunami in Japan, our capacity grew by nearly 20%, our passenger numbers increased to a record 8.7 million and we were able to post strong underlying financial results for the year.

### ***Financial Performance***

For the full year, we reported a GAAP net loss of \$2.6 million, or \$0.05 per diluted share on total operating revenue of \$1.65 billion. Reflecting economic fuel expense and excluding non-recurring lease termination charges related to the purchase of our 15 Boeing 717-200 aircraft previously under lease agreements, the Company reported adjusted net income of \$43.2 million, or \$0.85 per diluted share.

There were factors pulling in opposite directions on the cost side of our business. The economic cost per gallon of fuel, our largest expense, increased by 35%. When multiplied by the growth in our flying, our total fuel bill increased by \$190 million. We weathered a difficult and unusual year in terms of maintenance expenses resulting from a concentrated number of 10-year structural checks on the 717 fleet as well as higher contract rates for certain 767 engine overhauls. At the same time, our growth enabled us to spread overhead costs more efficiently such that, excluding fuel and lease termination costs, our unit costs declined by 1.5%.

Despite a difficult first half of 2011, our performance in the second half lifted earnings, adjusted for fuel and special items, to a level similar to that achieved in 2010, even with fuel prices that were 35% higher. In the fourth quarter, our rate of yield improvement was at the top of our peer group, which is remarkable given our rate of growth.

### ***Strengthened Balance Sheet***

As of December 31, 2011, the company had unrestricted cash and cash equivalents of \$304.1 million and \$30.9 million in restricted cash. Borrowing capacity under Hawaiian's Revolving Credit Facility was at \$56.9 million. During the first quarter of 2012, \$25.9 million moved from restricted to unrestricted cash with the lifting of a cash holdback provision in our primary credit card processing agreement.

Capital expenditures of \$362 million in 2011 were mostly aircraft related, including payments associated with future deliveries. With the recent volatility in the world's financial markets, we're pleased to have firm financing commitments in place for all four of our 2012 A330 orders as well as three of our 2013 deliveries. Going forward, we expect to diversify our funding sources, both in terms of markets and geography.

### ***Neighbor Island Operations***

Our Neighbor Island service within the state of Hawaii remained strong in 2011, accounting for 27% of our passenger revenue – down from 33% the previous year primarily because of the growth of our international flying.

Hawaiian continues to provide the bulk of Hawaii's intrastate air transportation and we took steps to

strengthen our operations to provide customers with more flight and fare options in step with increasing demand generated by our expanding North America and international operations.

Most notably, we added three leased Boeing 717-200 aircraft to our fleet to provide for the increased flying and to improve our on-time performance by providing more flexibility for scheduled maintenance.

The three additional B717s were put into service in the first quarter of 2012 and were central to the creation of our new Maui hub. This initiative is serving to ease transit between neighbor islands and offer visitors more choices with expanded nonstop flights from the mainland. It is also easing operational pressure at our main Honolulu hub.

With the additional B717s and Maui hub, our interisland flight schedule has increased to an average of 170 flights daily.

In addition, we also purchased our 15 leased Boeing 717-200s in a refinancing transaction that reduces our fleet costs over the long term.

Our commitment to providing efficient, affordable, high-quality air transportation among our islands in Hawaii led us this year to also introduce four new Neighbor Island Travel Plans designed to suit the needs of particular subsets of resident travelers and provide them with a measure of savings. The response to this new product has been very positive.

### ***North America Operations***

With demand for travel from North America to Hawaii on the rise in 2011, the deliveries of our larger capacity A330s allowed us to capitalize by adding seats in our largest markets, Las Vegas, Los Angeles and San Francisco.

To further meet growing travel demand from the Bay Area, in January of this year we expanded our network with the launch of year-round nonstop service to Maui from Oakland four days a week and from San José three days a week, using Boeing 767-300 aircraft.

Our North America routes remain Hawaiian's largest source of passenger revenue, comprising slightly less than 50% of our revenue in 2011. Our North America operations will continue to expand in 2012, most prominently with the launch of daily nonstop service between New York City and Honolulu starting June 5. The northeastern U.S. mainland represents the second largest source of visitors to Hawaii (after the western mainland; Japan is third largest), and we are excited about beginning service to this important market. We are also adding a third daily flight between Los Angeles and Honolulu on a year-round basis starting June 7, as well as daily nonstop service to Maui from Los Angeles for the summer.

In support of these routes, we continue to aggressively promote Hawaiian's unique brand and high quality of service in North America. Among the marketing initiatives launched in 2011 to broaden brand awareness is a continuing high-profile product placement on the popular CBS TV series *Hawaii Five-0*, and the naming of Hawaiian Airlines Field at Aloha Stadium, the state's largest public facility and site for many televised events.

### ***International Operations***

We continued to execute our strategic growth plan to diversify our revenue base internationally in 2011, highlighted by the launch of new services to Seoul in January and Osaka in July.

Both of these routes have performed well in their first year of operation, giving us the confidence to upgrade our service for each, by transitioning from B767 to larger A330 equipment on our Osaka route as of March 31, 2012, and by increasing frequency to Seoul from four flights weekly to daily service, starting July 16.

We were also pleased with the success of our Sydney service in 2011. Increasing demand driven by the strong Australian dollar has led us to boost capacity on the route, first with increased frequency from five

flights weekly to daily service year-round starting in December 2011, and then with the transition to A330 aircraft starting in April 2012.

We are looking forward with confidence to the start of our daily nonstop service to Honolulu from Fukuoka, our third gateway city in Japan, on April 17, 2012. Our Tokyo and Osaka routes have been very successful and we see this as a harbinger for our Fukuoka service. We have strong partnerships in place with leading travel companies in Japan, and consumers have responded favorably to our unique brand of inflight service that showcases our island home while providing products and services designed specifically for the Japanese traveler.

One year ago, on March 11, 2011, northern Japan was hit by a devastating earthquake and tsunami. Soon afterward, as other carriers were reducing capacity from Japan, we made the strategic decision to maintain our Tokyo service and continue forward as planned with the launch of our Osaka service to show our commitment to the market.

While bookings dropped by 20% in the weeks following the disaster, our commitment to the market and our travel partners in Japan was rewarded. By summer, our load factor from Tokyo had risen to nearly pre-disaster levels, giving us the confidence to introduce A330 aircraft on the route on July 7.

In 2012, we have further strengthened our position in the Japan market and created new opportunities for business by expanding our marketing and operational partnership with All Nippon Airways (ANA). Our new code sharing agreement will bring us passengers from other cities in Japan, while also helping to encourage bookings to the neighbor islands in Hawaii.

### ***Airport Improvements***

Our customers have been enjoying the benefits of our redesigned, innovative check-in lobby at Honolulu International Airport since its completion in summer 2011.

With 48 self-service check-in terminals arranged in six circular check-in “islands,” the new lobby has reduced lines and waiting times by up to 75% during peak travel periods, streamlined the process for federal Department of Agriculture inspections of checked bags, and has significantly improved the travel experience at our main hub.

We continue to support the Hawaii State Department of Transportation’s Airport Modernization Program and look forward to the operational benefits that Hawaiian will realize from its completion, particularly the consolidation of our flight operations into one area and the improved convenience and service we can provide to our guests.

Phase 1 of the construction project, scheduled to break ground later this year, will double the size of our current terminal, highlighted by the addition of twelve gates that can accommodate all of our interisland and transpacific aircraft. Another key Phase 1 project benefiting Hawaiian’s future growth will be the construction of a new and larger hangar and cargo facilities.

### ***Operational Excellence***

Hawaiian’s employees continued to set the standard in service excellence and reliability in the airline industry in 2011, highlighted by our leading all carriers in on-time performance for the eighth consecutive year, as reported by the U.S. Department of Transportation.

We operated on schedule at a rate of 92.8% for all of 2011, a slight improvement over 2010 and 13.2 percentage points better than the industry average.

Our punctuality was matched by our industry-leading record for fewest flight cancellations in 2011, the third straight year we have led in that category. Hawaiian also ranked second nationally for fewest oversales, or denied boardings.

In addition, Hawaiian ranked #1 among the nation’s 13 largest carriers as the most responsive to customer

phone calls, according to a study done by STELLAService, an independent provider of customer service quality ratings and research.

### ***Outlook for 2012***

Hawaiian has grown during years of harsh recession, and it's difficult not to be optimistic about its future as the economy recovers.

We expect 2012 to be a strong year as we continue to execute our long term plan to diversify our revenue base by growing into markets from which we expect to see increasing numbers of visitors to Hawaii. We are excited to be launching service to Fukuoka and New York City this year and continue to assess additional opportunities in North America and in Asia.

By the middle of 2012, we will have expanded our A330 fleet to nine aircraft with four new additions, complementing our 16 B767s and our fleet of 18 B717s serving neighbor island communities.

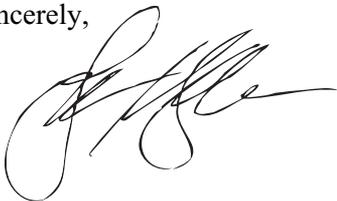
Our airline continues to hold an outstanding competitive position in its markets and is poised to take advantage of rising demand for travel to and throughout the Hawaiian Islands, and our employees continue to set the Hawaiian brand apart from competitors through the caring, friendly and professional service that has become our hallmark.

The persistent dark cloud for 2012 lies in the level and volatility of fuel costs, our largest and least controllable expense item. Against this backdrop, we are working hard to improve our revenue performance on a route-by-route basis. The interplay of market forces will determine how successful the Company will be in this regard, but there will be pressure on all carriers to raise fares if the price of oil continues to rise.

We are confident that Hawaiian's proven management team and the best front line employees in the business have what it takes to overcome this challenge and any others that may arise in leading our company to greater heights this year. Hawaiian Airlines is on the move, fueled by a positive company atmosphere and culture of safety, excellence, competitiveness and hospitality. The vision established years ago is turning into reality.

On behalf of the board and everyone at Hawaiian, I want to thank our employees for a job well-done, and to thank you for your continued faith and support.

Sincerely,



Lawrence S. Hershfield  
**Chairman of the Board of Directors**

*This letter contains forward-looking statements within the meaning of the U.S. securities laws that are subject to risks and uncertainties that could cause our actual results to differ materially from those indicated in these forward looking statements, including but not limited to risks described in our filings with the Securities and Exchange Commission. For important cautionary language regarding these forward-looking statements, please see the section titled "Cautionary Note Regarding Forward-Looking Statements" in our Annual Report on Form 10-K, included herein. The Company undertakes no obligations to update any forward-looking statements.*