

PASHA PEOPLE

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Pasha People
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Our name stands behind every move™

Pasha Celebrates First Chrysler Export Shipment from the Port of Grays Harbor.

January 28, 2010. Staged in neat rows, waves of new Chrysler vehicles stood waiting to board Partner Shipping vessel, the M/V *Positive Passion*, which would take them on the long voyage to their designated ports in Asia.

Gathered on the Port of Grays Harbor dock to observe this first shipment of Chrysler exports, the enthusiastic crowd of dignitaries watched as a red ribbon received the snip of an over-size scissors, and then the celebration began.

The Back Story

In just over a year's time, Pasha's new marketing partnership with the Port of Grays Harbor has proven to be a valuable entrée into the Pacific Northwest. With deep water and strong transportation connections, Grays Harbor is an attractive port for shippers seeking West Coast alternatives. It is also a good fit for The Pasha Group and its automotive and stevedoring companies, not to mention a new port of call for Pasha Hawaii's M/V *Jean Anne*.

In July 2008, Partner Shipping joined with Praxis Logistics to create North America Pacific Asia service (NAPA), filling a geographical void in that particular Ro-Ro market. In October of the following year, Chrysler Group LLC put their global deep-sea bid out to carriers around the world, with a clear focus on improving supply chain turn-around, collaborating with true customer service organizations, and reducing costs. Pasha submitted a bid to handle processing in Grays Harbor, while NAPA submitted their proposal to handle ocean freight transiting Grays to Asia. Chrysler selected the NAPA service as the carrier, and Pasha as the LLP and port processor.
(Story continued on back page)

Shades of Gray



Taking the Short Way Home

(continued from front page)

With the award of this traffic, Pasha Automotive Services (PAS) went into high gear, as did Pasha Stevedoring & Terminals (PST), the stevedore of choice for Partner Shipping's West Coast ports of call (see related story in this issue). Spearheaded by Michael Pasha, Pasha's General Manager of Port Development, experienced crews from the company's San Diego operation quickly began training local workers in wrap and undercoating procedures, with rail and processing operations following soon after.



Jo Knutsen - Partner Shipping, George Pasha, John Griffin - Chrysler Group LLC, Michael Pasha, John Pasha.

The Value of Partnership

Pasha has a long established history with Chrysler, with Pasha Hawaii as the exclusive provider of ocean transportation in the West Coast/Hawaii trade lane, and Pasha Distribution Services providing auto transport

services for Chrysler in Southern California and the Midwest. Pasha's IT team has recently created a sophisticated Transport Management System for Chrysler's plant in Belvidere, IL. Pasha's President and CEO George Pasha, IV, notes, "This marks the start of a major automotive client opportunity with Chrysler, and we are very pleased that Partner and Praxis have chosen Pasha and Grays for their PNW gateway. Pasha is very much looking forward to being a meaningful part of the success story in Grays Harbor. I appreciate the warm welcome and support from the members of the Harbor commission,

as well as the Chamber of Commerce, local community representatives, and ILWU Local 24. Pasha is a service business. We are blessed to be supported by a great team of dedicated people... we only succeed because of their commitment."

Without a doubt, we are all happy to close the chapter on the year 2009, which began with a free fall off a cliff through the first quarter and into the second. By summer, we found ourselves with about one half the 2008 volumes we enjoyed in several of our business segments. Fortunately for The Pasha Group, business diversification, and a team who understands how to perform under pressure, helped to slow the retreat and provide steady earnings for the second half of the year. Optimism, stability, and perseverance remain our hallmarks, and our team continued to focus on making the best of what we had and bringing new and exciting possibilities to the table.

We have never hesitated to take strategic risks - in good times and bad. 2009 was no exception. Like many other companies in today's difficult environment, we have taken a hard look at our organization, put realignment in place where necessary, while still maintaining our pursuit of excellence.

While we had to make difficult decisions that affected many of our colleagues, we continued to make important investments in key management positions. This creates bench strength to both more effectively manage our current business

streams, and realize new opportunities that will get us back on track to further diversify and grow our revenue base.

In addition to people capital, we continue to invest in technology which, in the long run, will help differentiate Pasha in its varied businesses with creative and capable business solutions. These systems will also bring important efficiencies, allowing us to get things right in the most cost effective way possible.

We recognize we are in a business that relies on outstanding customer relationships. This places our focus squarely on

getting it right the first time, while taking a prudent, balanced and considered approach to managing the business. We choose partners who share this vision and will assist us in realizing our goals. We are very fortunate to have customers that value long term relationships based on trust and the realization of a mutually beneficial outcome - outstanding customer service at a fair price.

In this issue of Pasha People, we share with you new achievements, celebrate the success of valued clients, and take the opportunity to recognize our global communities.

I am very proud of Team Pasha. Overcoming the challenges of the past year, they not only kept our culture intact, they repeatedly demonstrated the core values of our organization. I think, overall, more of our colleagues 'get it' than ever before. While the road ahead is still a little rough, with the continued contribution and hard work of the Pasha people, and the ongoing support of our customers, we anticipate a productive and successful 2010 and beyond.

George Pasha, IV, President and CEO

Wrapping it Up

After 126 successful roundtrip voyages between the West Coast and Hawaii, it is time Pasha Hawaii's M/V *Jean Anne* had a fresh look. Over her five years of service, many internal operational and environmental upgrades have taken place. Now she has a new exterior appearance to represent the cargo she has carried so steadfastly since her Maiden Voyage on March 21, 2005. *Jean Anne* is the only dedicated Roll-On/Roll-Off vessel in this trade lane - as she sails into her sixth year of service, we join with her Captains and stalwart crew in celebration. Ahoy, the *Jean Anne*!

Jean Anne Update



PST Goes With The Grain

Pasha Stevedoring & Terminals L.P. (PST) continues to secure new business in the Pacific Northwest. Through our newest partner, the Port of Grays Harbor in Aberdeen, WA, PST's latest success story began last September with the award of the AG Processing, Inc. (AGP) grain contract.

Headquartered in Omaha, NE, AGP is a farmer-owned cooperative engaged in the procurement, processing, marketing and transportation of high-quality grains and grain products. As such, it is the largest soybean meal cooperative in the world, processing more than 15,000 metric tons of soybeans every day. Nearly seven years ago a joint venture between the Port of Grays Harbor, AGP, and the Puget Sound & Pacific Railroad created one of four deep-water facilities at the Port, which is a day closer to the markets of the Pacific Rim than any other West Coast port. Today, a steady flow of rail cars transports agricultural products from the Midwest to the West Coast for export to world markets. Using the latest technology, the facility at Grays includes enclosed conveyers that transport product from the receiving building into the vessel. The grain pours smoothly into the hold in muted shades of brown and beige, looking for all the world like massive sand dunes.

After a record year of exports, AGP has just announced plans to expand their Grays Harbor facility. The 13.5 acre expansion will include construction of on-site storage silos and infrastructure to increase unloading



capacity. Detailed engineering has begun, and construction is expected to begin this fall with operations slated for early 2012. Port officials estimate shipping volumes will more than double due to the expansion.

PST has already loaded over 546,000 metric tons of bulk agricultural products onboard vessels at Grays Harbor. Jeff Burgin, PST Senior Vice President, notes, "Our Terminal Manager, Jay Foose, has a strong background in vessel and terminal operations. With his years of experience, Jay is the right fit for the job. Moving forward, our team continues to explore different avenues to further enhance the operation and increase the level of productivity. Our goal has always been to identify areas of common ground with our business partners, take what we believe to be good, and create a new paradigm to shift the business to even greater levels."

The expanding scope of AGP's export effort has earned the company a reputation as a premier supplier of high quality commodities to the world. PST is glad to help deliver the message. And our partnership with Grays Harbor is paying big dividends for PST. The cargo our clients ship is extremely valuable, as is the safety of our employees. Thus, safe working conditions and careful cargo handling are paramount. The "Safety First" philosophy as embodied by PST in all its West Coast locations calls for both physical security and operational safety. On March 10, the Pacific Maritime Association awarded PST the First Place Class "C" Stevedore Safety award for the Pacific Northwest, an honor we gladly accept.

Presidents Corner

It's Pouring Grain in Grays Harbor



The Pasha Group is not immune to the current fiscal challenges, but we also realize this means there is even a greater need for corporate funding to enable worthwhile charities and non-profit organizations to continue supporting people in need, not only in communities where we work and live, but on a global basis. To this end, the company chose two organizations to divide its 2009 annual contribution. Faced with an unbelievable demand for its resources, Doctors Without Borders, which provides emergency medical care to nearly 60 countries around the world, is our first recipient. Our second non-profit, Feeding America, is a network that distributes food and grocery products to its member food banks across the nation. The Pasha Group is proud to be able to help them achieve their mission.

For the second year in a row, The Pasha Group hosted an exceptionally well-received "Support Our Troops" military tent at the annual Sony Open in Hawaii. This is the flagship fundraising event held each year at the Waiolae Country Club for Friends of Hawaii Charities, which generates funding primarily through corporate sponsorship. A record number of our military troops, many with appreciative family members, found their way to the tent where Pasha staff provided food and refreshments for four consecutive days. Several golf pros also graciously came by to provide autographs and sign golf balls for the excited crowd. A favorite was John Rollins, who finished in the money at just under six strokes behind leaderboard winner Ryan Palmer.

It's All About the Customer

2009 was an extremely busy year for IT Services, and 2010 is off to a robust start. Despite a downturn in the economy, Pasha continues to invest in IT infrastructure upgrades to support the disaster recovery initiative and a general upgrade in servers, storage and network technologies to ensure we can scale with the anticipated growth in the business. As our customers grow and succeed, IT continues to work closely with each business unit to ensure Pasha also grows and succeeds along with them.

From the integration of Pasha Freight's CTC operations, on to the Mabro acquisition by Pasha Distribution Services, and the launching of the Grays Harbor site in Aberdeen, WA, creativity and flexibility is a requirement of both the Development and Technical Services departments. Like any service organization, people are key to success. IT Vice President David Beckerman and his team continue to meet and exceed the company's expectations as well as those of our clients.

Business Alignment and Collaboration Initiatives

The formation of the Information Technology Council in 2009 shows that "continuous improvement" is a phrase with vitality and action behind it. The IT Council allows a key group of stakeholders across multiple disciplines within the organization to contribute and provide guidance to the way Pasha leverages technology to obtain maximum business value and ultimate competitive advantage.

The Council formed a Business Improvement Group (BIG), featuring champions from each business unit working in a supportive environment to initiate and swiftly complete endeavors that bring cost savings, efficiencies and enhanced service to our customer base as well as internally. Through a coordinated effort of analysis and implementation of those projects with the greatest benefit to the enterprise, BIG assesses process improvement projects from individual business units in order to gain efficiencies for all. Member representatives from each business unit share their vision and expertise in an ongoing spirit of collaboration.

The Council was also tasked with leveraging technology to maximize business value and ultimately competitive

advantage. One of its first initiatives has been the deployment of Salesforce.com, a highly reputable program which provides a common sales and customer relationship management tool across the enterprise. The program allows sales groups and business unit leaders to measure the effectiveness of their processes, provides visibility across all business units, and presents a unified and integrated corporate image to our customers.



Disaster Recovery

Many customers have asked detailed questions about our business continuity plan and commitment to data and system availability. The recent creation and implementation of a Data Center located in Sacramento insures that Pasha will be able to continue taking care of our business partners in the event of either a local or regional outage at the Corte Madera Data Center. Data and applications will be available to the enterprise within defined standards in the event of a catastrophic event in the Corte Madera Data Center, as production data is sent real time to the primary data center then copied to the Sacramento data center. The project continues in 2010 as the Technical Services and Development teams work together to implement best practices for application failover.

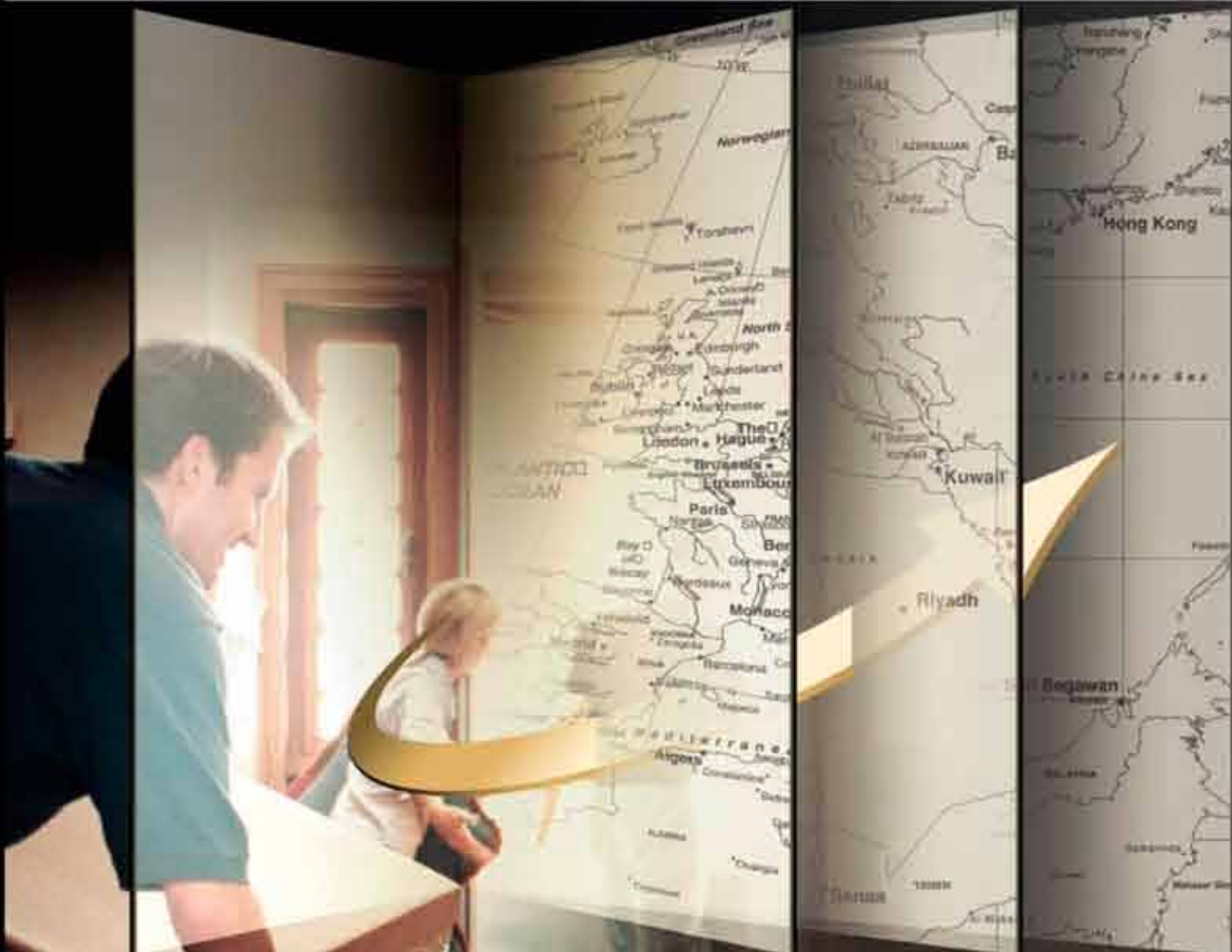
Pasha's commitment to continuous operations is not just focused on regional or local catastrophic events. Continuous operations require resilience of three components: servers, data storage, and network. In fact, the disaster recovery project is really just one component of many ongoing projects to improve Pasha's infrastructure.



Friends of Hawaii Charities entered into an agreement with the PGA TOUR to produce the Sony Open in Hawaii golf tournament in 1998 with the shared goal of channeling proceeds to charity. Charity Partner, The Harry & Jeanette Weinberg Foundation, Inc., generously provides matching funds. Together, Friends and The Harry & Jeanette Weinberg Foundation, Inc. have provided charitable grants of more than \$9 million to over 350 non-profit organizations serving Hawaii's women, children, youth and needy. The Pasha Group, and Pasha Hawaii (who also provides an annual sponsorship), are extremely pleased to be able to contribute to these fine organizations who truly represent the 'Aloha' spirit of Hawaii.



And on a final note, Pasha was able to once again provide much-needed transportation logistics support across the lower 48 states to Santa Clara University's School of Engineering, who entered the 2009 Solar Decathlon in Washington, D.C. 'Team California' created an outstanding entry with their Refract House. The team came in third overall, but achieved great success in the top three of ten contests, including first in communications and architecture, second in engineering, home entertainment and appliances, and third in water and market viability. The team, the only one led solely by undergraduates, deserves a rousing hand of applause.



MoveMetric™ welcomes new clients in Europe and Asia for Pasha's Relocation Services division.

Clients in Europe and Asia are now experiencing the numerous benefits of Pasha's revolutionary move management solution, MoveMetric™. In late 2009, The Pasha Group AG assisted a worldwide telecommunications company and the European division of a Fortune 100 agricultural processing firm in achieving their goals to lower costs and improve the quality of service for their global employee relocation programs. Over several months, two of Swiss-based Pasha AG's highly respected industry veterans, Managing Director Christine Kinkel and Chris Richardson, Director of Global Business Development, worked diligently with headquarters management of these firms. The end result was the design of a specially-tailored program that combines critical high-touch employee communication spanning EMEA (Europe, Middle East and Africa), the Americas, and Asia with regular reporting of key performance metrics, and a promise of 14% to 20% savings over the previous year's international moving spend. Supported by the United States MoveMetric management team under the direction of Vice President/General Manager Brian Goates, each employee relocation is evaluated for the best supplier, taking into account global origin and destination and best value when considering transportation costs, as well as transit time and unique employee needs.

Meanwhile, on the other side of the globe, Pasha's Asia-Pacific arm is providing similar benefits to a newly-formed science and technology center for excellence in Japan;

an organization which grappled with attaining parity of relocation buying power with much larger organizations and also simplifying the procurement process. Neal Hambridge, Director of Asia Business Development, and John Rushalk, General Manager for Pasha's Asiatic Trans-Pacific operation in Okinawa, created a program which gives the client their desired benchmarking of competitive costs, while maintaining a single point of contact for contract management.

In both cases, MoveMetric was successful in providing viable solutions to each company's distinct set of goals. By leveraging the buying power of over 500 multinational customers with over 15,000 moves per year, Pasha's web-based MoveMetric™ affords all customers the advantage of over 20,000 'power lanes' for optimum transportation costing from MoveMetric suppliers, who must all meet the same contractual requirements for service inclusions, liability and communication. Additionally, the real-time visibility and calculation of customer satisfaction scoring, lowest claim ratios, and speed of transit time ensures the best choice for each exceptional set of employee relocation requirements.

The technical and administrative aspects of MoveMetric are impressive. However, the real power behind MoveMetric is the caring and professional Pasha team in Europe, Asia and the Americas. They are up to the challenge every single day to ensure their customers and transferees are experiencing exactly the personal communication and high level of satisfaction they desire, and deserve, no matter where in the world they are moving.

Pasha Automotive Services (PAS) is helping Case New Holland (CNH) continue to 'Shape the World' as a global leader in the agricultural and construction equipment businesses. Two years ago, the PAS vehicle processing operation in Baltimore added some unique rolling stock to its portfolio when awarded CNH's import volume of heavy machinery. Since then, PAS has successfully handled almost 22,000 telehandlers, dump trucks, excavators, tractors, backhoes, and a variety of behemoth-sized construction and agricultural harvesting equipment, each with singular challenges. Every piece of equipment has a different space allocation need, and system modifications are in place to input serial numbers into Pasha OnTrack™ Automotive (which is designed for importing VIN numbers).

With a network of 11,600 dealers in 170 countries and 38 manufacturing facilities located throughout Europe, North America, Latin America, and Asia, CNH merits its standing in the agricultural and construction industry. PAS, backed by over 60 years of experience in the automotive industry, has the expertise to meet CNH's exacting processing criteria.

CNH recently gave us the nod to continue our relationship for another two-year term. PAS has a reputation for providing 'dealer ready' products, whether it is luxury automobiles or rugged agricultural equipment. The new contract expands our service offering by adding exports, many of which require hours of preparation prior to shipment. The massive combines, for example, require tire 'dishing' and axle adjustments to reduce the size of their footprint in order to achieve lower shipping costs. Export processing also includes an application of protective coating. In addition, each receiving country has its own regulations and standards, including product cleanliness, which must be met. With the addition of these new exports, PAS anticipates a combined 12,600 units per year of CNH product through its Baltimore operation.

Led by General Manager John Timmins, the Baltimore crew is excited at this growth opportunity and continues to deliver excellence despite extreme weather conditions. More than three feet of snow recently created what locals call "Snowmageddon." Fortunately our partners at Terminal Services, Inc. have a first-rate CNH snow plow that helps us keep our customers' products moving swiftly through the pipeline!

