

HAWAIIAN HOLDINGS INC
Form 10-K
February 09, 2015
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K
(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from to .

Commission file number 1-31443

HAWAIIAN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

3375 Koapaka Street, Suite G-350,

Honolulu, Hawai'i

(Address of principal executive offices)

Registrant's telephone number, including area code: (808) 835-3700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Common Stock (\$0.01 par value)

NASDAQ Stock Market, LLC

(NASDAQ Global Select Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer <input type="checkbox"/>	Accelerated filer <input checked="" type="checkbox"/>	Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Exchange Rule Act 12b-2). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity stock held by non-affiliates of the registrant was approximately \$659 million, computed by reference to the closing sale price of the Common Stock on the NASDAQ Global Select Market, on June 30, 2014, the last business day of the registrant's most recently completed second fiscal quarter.

As of January 23, 2015, 54,475,352 shares of Common Stock of the registrant were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for Annual Meeting of Stockholders to be held on May 20, 2015 will be incorporated by reference into Part III of this Form 10-K.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PART I</u>	<u>3</u>
<u>ITEM 1. BUSINESS</u>	<u>3</u>
<u>ITEM 1A. RISK FACTORS</u>	<u>8</u>
<u>ITEM 1B. UNRESOLVED STAFF COMMENTS</u>	<u>18</u>
<u>ITEM 2. PROPERTIES</u>	<u>18</u>
<u>ITEM 3. LEGAL PROCEEDINGS</u>	<u>20</u>
<u>ITEM 4. MINE SAFETY DISCLOSURES</u>	<u>20</u>
<u>PART II</u>	<u>21</u>
<u>ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</u>	<u>21</u>
<u>ITEM 6. SELECTED FINANCIAL DATA</u>	<u>22</u>
<u>ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>24</u>
<u>ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>35</u>
<u>ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</u>	<u>38</u>
<u>ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE</u>	<u>82</u>
<u>ITEM 9A. CONTROLS AND PROCEDURES</u>	<u>82</u>
<u>ITEM 9B. OTHER INFORMATION</u>	<u>85</u>
<u>PART III</u>	<u>85</u>
<u>ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u>	<u>85</u>
<u>ITEM 11. EXECUTIVE COMPENSATION</u>	<u>85</u>
<u>ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u>	<u>85</u>
<u>ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u>	<u>85</u>
<u>ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	<u>85</u>
<u>PART IV</u>	<u>85</u>
<u>ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES</u>	<u>85</u>
<u>SIGNATURES</u>	<u>98</u>

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report on Form 10-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views with respect to certain current and future events and financial performance. Such forward-looking statements include, without limitation: any expectations of operating expenses, deferred revenue, interest rates, income taxes, deferred tax assets, valuation allowance or other financial items; statements regarding factors that may affect our operating results; statements regarding our goals, mission and areas of focus; statements regarding factors that may affect our ability to fund our working capital, capital expenditures or other general purpose needs; statements related to the impact of our low-cost structure on funding our growth strategy and market opportunities; statements regarding our ability to pay taxes with working capital; estimates of fair value measurements; statements related to aircraft maintenance and repair costs and deposits and timing of maintenance activities; statements related to cash flow from operations and seasonality; estimates of required funding of and contributions to our defined benefit pension and disability plan; estimates of annual fuel expenses and measure of the effects of fuel prices on our business; statements regarding the availability and cost of fuel; statements regarding our wages and benefits and labor costs and agreements; statements regarding the implementation, effective date and costs of compliance with regulations promulgated by the FAA, DOT and other regulatory agencies; statements related to airport rent rates and landing fees; statements regarding aircraft rent expense; statements regarding the status of federal and state legislation; statements regarding our total capacity and yields on routes; statements regarding compliance with potential environmental regulations; statements regarding potential dilution of our securities; statements regarding cost liability and deferred revenue estimates related to the frequent flyer program; statements related to our hedging program; statements concerning the impact of, and changes to, accounting principles, policies and estimates; statements regarding our net operating loss carryforwards; statements regarding credit card holdback; statements regarding the availability of financing; statements regarding our capital expenditures; statements regarding potential violations under the our debt or lease obligations; statements regarding our intent to settle the principal amount of our convertible notes in cash; statements regarding our ability to comply with covenants under our financing arrangements; statements regarding our intention to obtain additional debt or lease financing for aircraft deliveries; statements related to capital expenditures impacting future debt levels and pre-delivery payments; statements regarding the expiration of aircraft leases; statements related to risk management, credit risks and air traffic liability; statements related to future U.S. and global economic conditions or performance; statements related to changes in our fleet plan and related cash outlays; statements related to expected delivery of new aircraft and associated costs for spare engines, replacement parts, maintenance, employee training and other implementation activities; statements projecting non-aircraft related capital expenditures; statements related to commissions and selling expenses; statements related to potential route expansion; statements related to aircraft and passenger servicing; statements related to service expansion and related operating expenses; statements related to the effects of any litigation on our operations or business; statements related to the amount of competition on our routes by other domestic and foreign carriers; statements related to fare modifications; statements related to continuous investments in technology and systems; and statements as to other matters that do not relate strictly to historical facts or statements of assumptions underlying any of the foregoing. Words such as "expects," "anticipates," "projects," "intends," "plans," "believes," "estimates," variations of such words, and similar expressions are also intended to identify such forward-looking statements. These forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to our operations and business environment, all of which may cause our actual results to be materially different from any future results, expressed or implied, in these forward-looking statements. The risks, uncertainties and assumptions referred to above that could cause our results to differ materially from the results expressed or implied by such forward-looking statements include those discussed under the heading "Risk Factors" in Item 1A in this Annual Report on Form 10-K and the risks, uncertainties and assumptions discussed from time to time in our other public filings and public announcements. All forward-looking statements included in this document are based on information available to us as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that may arise after the date hereof.

Table of Contents

PART I

ITEM 1. BUSINESS.

Overview

Hawaiian Holdings, Inc. (the "Company," "Holdings," "we," "us" and "our") is a holding company incorporated in the State of Delaware. The Company's primary asset is the sole ownership of all issued and outstanding shares of common stock of Hawaiian Airlines, Inc. ("Hawaiian"). Hawaiian was originally incorporated in January 1929 under the laws of the Territory of Hawai'i and became our indirect wholly-owned subsidiary pursuant to a corporate restructuring that was consummated in August 2002. Hawaiian became a Delaware corporation and the Company's direct wholly-owned subsidiary concurrent with its reorganization and reacquisition by the Company in June 2005.

Our Business

We are engaged in the scheduled air transportation of passengers and cargo amongst the Hawaiian Islands (the Neighbor Island routes), between the Hawaiian Islands and certain cities in the United States (the North America routes), and between the Hawaiian Islands and the South Pacific, Australia, New Zealand and Asia (the International routes), collectively referred to as our Scheduled Operations. We offer non-stop service to Hawai'i from more U.S. gateway cities (11) than any other airline, and also provide approximately 166 daily flights between the Hawaiian Islands. In addition, we also operate various charter flights.

We are the longest serving airline as well as the largest airline headquartered in the State of Hawai'i, and the 11th largest domestic airline in the United States based on revenue passenger miles (RPMs) reported by the Research and Innovative Technology Administration Bureau of Transportation Services as of October 2014, the latest data available.

At December 31, 2014, our fleet consisted of 18 Boeing 717-200 aircraft for the Neighbor Island routes and 10 Boeing 767-300 aircraft and 19 Airbus A330-200 aircraft for the North America, International and charter routes. We also own three ATR42 turboprop aircraft for the "Ohana by Hawaiian" Neighbor Island service which began in 2014. Our goal is to be the number one destination carrier serving Hawai'i. We are a leisure airline devoted to the travel needs of the residents and visitors of Hawai'i and offer a unique travel experience. We are strongly rooted in the culture and people of Hawai'i and seek to provide quality service to our customers that exemplifies the spirit of aloha.

Outlook

Our mission every year is to grow a profitable airline with a passion for excellence, our customers, our people and the spirit of Hawai'i. In 2015, we will focus on developing our existing markets, controlling our costs, preparing for the integration of new aircraft into our fleet, operating an innovative business to meet the needs of our new and existing customers, and maximizing shareholder value.

Flight Operations

Our flight operations are based in Honolulu, Hawai'i. At December 31, 2014, we operated 218 scheduled flights with: Daily service on our North America routes between the State of Hawai'i and Los Angeles, Oakland, Sacramento, San Diego, San Francisco and San Jose, California; Las Vegas, Nevada; Phoenix, Arizona; Portland, Oregon; and Seattle, Washington; and scheduled service between the State of Hawai'i and New York City, New York.

• Daily service on our Neighbor Island routes among the four major islands of the State of Hawai'i;

• Daily service on our International routes between the State of Hawai'i and Sydney, Australia; and Tokyo and Osaka, Japan and scheduled service between the State of Hawai'i and Pago Pago, American Samoa; Papeete, Tahiti; Brisbane, Australia; Auckland, New Zealand; Sapporo and Sendai, Japan; Seoul, South Korea; and Beijing, China.

• Other ad hoc charters.

Fuel

Our operations and financial results are significantly affected by the availability and price of jet fuel. The following table sets forth statistics about our aircraft fuel consumption and cost.

Year	Gallons consumed (in thousands)	Total cost, including taxes	Average cost per gallon	Percent of operating expenses
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2014	230,199	\$678,253	\$2.95	32.8	%
2013	226,214	\$698,802	\$3.09	34.6	%
2012	199,465	\$631,741	\$3.17	34.5	%

3

Table of Contents

As illustrated by the table above, fuel costs constitute a significant portion of our operating expenses. We purchase aircraft fuel at prevailing market prices, but seek to manage market risk through the execution of a hedging strategy. To manage economic risks associated with fluctuations in aircraft fuel prices, we periodically enter into derivative financial instruments such as heating oil puts and swaps and crude oil call and put options and collars.

Aircraft Maintenance

Our aircraft maintenance programs consist of a series of phased or continuous checks for each aircraft type. These checks are performed at specified intervals measured by calendar months, time flown or by the number of takeoffs and landings, or cycles operated. In addition, we perform inspections, repairs and modifications of our aircraft in response to Federal Aviation Administration (FAA) directives. Checks range from "walk around" inspections before each flight's departure, to major overhauls of the airframes which can take several weeks to complete. Aircraft engines are subject to phased maintenance programs designed to detect and remedy potential problems before they occur. The service lives of certain airframe and engine parts and components are time or cycle controlled, and such parts and components are replaced or refurbished prior to the expiration of their time or cycle limits. We have contracts with third parties to provide certain maintenance on our aircraft and aircraft engines.

Marketing and Ticket Distribution

We utilize various distribution channels including our website, www.hawaiianairlines.com, primarily for our North America and Neighbor Island routes, and travel agencies and wholesale distributors primarily for our International routes.

Our website, now available in English, Japanese, Korean and Chinese, offers our customers information on our flight schedules, information on our HawaiianMiles frequent flyer program, the ability to book reservations on our flights or connecting flights with any of our code-share partners, the status of our flights as well as the ability to purchase hotels, cars and vacation packages. We also publish fares with web-based travel services such as Orbitz, Travelocity, Expedia, Hotwire and Priceline. These comprehensive travel planning websites provide customers with convenient online access to airline, hotel, car rental and other travel services.

Frequent Flyer Program

The HawaiianMiles frequent flyer program was initiated in 1983 to encourage and develop customer loyalty.

HawaiianMiles allows passengers to earn mileage credits by flying with us and our partner carriers. In addition, members earn mileage credits for patronage with our other program partners, including credit card issuers, hotels, car rental firms and general merchants, pursuant to our exchange partnership agreements. We also sell mileage credits to other companies participating in the program.

HawaiianMiles members have a choice of various awards based on accumulated mileage credits, with most of the awards being for free air travel on Hawaiian.

HawaiianMiles accounts with no activity (frequent flyer miles earned or redeemed) for 18 months automatically expire. The number of free travel awards used for travel on Hawaiian was approximately 536,000 in 2014. The amount of free travel awards as a percentage of total revenue passengers was approximately 5.3% in 2014. We believe displacement of revenue passengers is minimal due to our ability to manage frequent flyer seat inventory, and the relatively low ratio of free award usage to total revenue passengers.

Code-Share and Other Alliances

We have marketing alliances with other airlines that provide reciprocal frequent flyer mileage accrual and redemption privileges and code-shares on certain flights (one carrier placing its name and flight numbers, or code, on flights operated by the other carrier). These programs enhance our revenue opportunities by:

- increasing value to our customers by offering easier access to more travel destinations and better mileage accrual/redemption opportunities;

- gaining access to more connecting traffic from other airlines; and

- providing members of our alliance partners' frequent flyer programs an opportunity to travel on our system while earning mileage credit in the alliance partners' programs.

Table of Contents

Our marketing alliances with other airlines as of December 31, 2014 were as follows:

	Hawaiian Miles Frequent Flyer Agreement	Other Airline Frequent Flyer Agreement	Code-share—Hawaiian Flight # on Flights Operated by Other Airline	Code-share—Other Airline Flight # on Flights Operated by Hawaiian
Air China	No	No	Yes	Yes
All Nippon Airways (ANA)	Yes	Yes	Yes	Yes
American Airlines (American)	Yes	Yes	No	Yes
China Airlines	Yes	Yes	Yes	Yes
Delta Air Lines (Delta)	No	Yes	No	Yes
JetBlue	Yes	Yes	Yes	No
Korean Air	Yes	Yes	Yes	Yes
United Airlines (United)	No	Yes	No	Yes
US Airways	No	Yes	No	Yes
Virgin America	Yes	Yes	Yes	No
Virgin Atlantic Airways	Yes	Yes	No	No
Virgin Australia	Yes	Yes	No	Yes

Although these programs and services increase our ability to be more competitive, they also increase our reliance on third parties.

Competition

The airline industry is extremely competitive. We believe that the principal competitive factors in the airline industry are:

- Price;
- Flight frequency and schedule;
- On-time performance and reliability;
- Name recognition;
- Marketing affiliations;
- Frequent flyer benefits;
- Customer service;
- Aircraft type; and
- In-flight services.

North America—We face multiple competitors on our North America routes including major network carriers such as Alaska Airlines, American, United and Delta. Various charter companies also provide non scheduled service to Hawai'i mostly under public charter arrangements.

Neighbor Island—Our Neighbor Island competitors consist of regional carriers, which include Island Air, Mokulele Airlines, Pacific Wings and a number of other "air taxi" companies.

International—Currently, we are the only provider of direct service between Honolulu and each of Brisbane, Australia, Sapporo and Sendai, Japan; Pago Pago, American Samoa; and Papeete, Tahiti. However, we face multiple competitors from both domestic and foreign carriers on our other International routes.

Table of Contents

Employees

As of December 31, 2014, we had 5,380 active employees, and approximately 86% of our employees were covered by labor agreements with the following organized labor groups:

Employee Group	Represented by	Number of Employees	Agreement amendable on(*)
Flight deck crew members	Air Line Pilots Association (ALPA)	601	September 15, 2015
Cabin crew members	Association of Flight Attendants (AFA)	1,670	January 1, 2017
Maintenance and engineering personnel	International Association of Machinists and Aerospace Workers (IAM-M)	760	April 20, 2014
Clerical	IAM-C	1,534	January 1, 2014
Flight dispatch personnel	Transport Workers Union (TWU)	39	November 1, 2013

(*) Our relations with our labor organizations are governed by Title II of the Railway Labor Act of 1926, pursuant to which the collective bargaining agreements between us and these organizations do not expire but instead become amendable as of a certain date if either party wishes to modify the terms of the agreement.

Seasonality

Hawai'i is a popular vacation destination for travelers. For that reason, our operations and financial results are subject to substantial seasonal and cyclical volatility, primarily due to leisure and holiday travel patterns. Demand levels are typically weaker in the first quarter of the year with stronger demand periods occurring during June, July, August and December. We may adjust our pricing or the availability of particular fares to obtain an optimal passenger load factor depending on seasonal demand differences.

Customers

Our business is not dependent upon any single customer, or a few customers. The loss of any one customer would not have a material adverse effect on our business.

Regulation

Our business is subject to extensive and evolving federal, state and local laws and regulations. Many governmental agencies regularly examine our operations to monitor compliance with applicable laws and regulations. Governmental authorities can enforce compliance with applicable laws and regulations and obtain injunctions or impose civil or criminal penalties or modify, suspend or revoke our operating certificates in case of violations.

Industry Regulations

We are subject to the regulatory jurisdiction of the U.S. Department of Transportation (DOT) and the Federal Aviation Administration (FAA). The DOT has jurisdiction over international routes and fares for some countries (based upon treaty relations with those countries), consumer protection policies including baggage liability and denied boarding compensation, and unfair competitive practices as set forth in the Airline Deregulation Act of 1978. The FAA has regulatory jurisdiction over flight operations, including equipment, ground facilities, security systems, maintenance and other safety matters. Pursuant to these regulations, we have established, and the FAA has approved, a maintenance program for each type of aircraft we operate that provides for the ongoing maintenance of our aircraft, ranging from frequent routine inspections to major overhauls.

Maintenance Directives

The FAA approves all airline maintenance programs, including modifications to the programs. In addition, the FAA licenses the repair stations and mechanics that perform inspections, repairs and overhauls, as well as the inspectors who monitor the work.

The FAA frequently issues airworthiness directives, often in response to specific incidents or reports by operators or manufacturers, requiring operators of specified equipment types to perform prescribed inspections, repairs or modifications within stated time periods or numbers of cycles. In the last several years, the FAA has issued a number of maintenance directives and other regulations relating to, among other things, wiring requirement for aging aircraft, fuel tank flammability, cargo compartment fire detection/suppression systems, collision avoidance systems, airborne windshear avoidance systems, noise abatement and increased inspection requirements.

Table of Contents

Airport Security

The Aviation and Transportation Security Act (ATSA) mandates that the Transportation Security Administration (TSA) provide for the screening of all passengers and property, including mail, cargo, carry-on and checked baggage, and other articles that will be carried aboard a passenger aircraft. Under the ATSA, substantially all security screeners at airports are federal employees and significant other elements of airline and airport security are now overseen and performed by federal employees, including security managers, law enforcement officers and Federal Air Marshals. The ATSA also provides for increased security on flight decks of aircraft and requires Federal Air Marshals to be present on certain flights, improved airport perimeter access security, airline crew security training, enhanced security screening of passengers, baggage, cargo, mail, employees and vendors, enhanced training and qualifications of security screening personnel, provision of passenger data to U.S. Customs and Border Protection and enhanced background checks.

The TSA also has the authority to impose additional fees on the air carriers, if necessary, to cover additional federal aviation security costs. In 2002, the TSA imposed an Aviation Security Infrastructure Fee (ASIF) on all airlines in operation prior to 2000 to assist in the cost of providing aviation security. The ASIF was assessed based on airlines' actual security costs for the year ended December 31, 2000. However, in connection with the passage of the Bipartisan Budget Act of 2013, the ASIF was repealed effective October 1, 2014.

Environmental and Employee Safety and Health

We are subject to various laws and government regulations concerning environmental matters and employee safety and health in the U.S. and other countries in which we do business. Many aspects of airlines' operations are subject to increasingly stringent federal, state, local and foreign laws protecting the environment. U.S. federal laws that have a particular impact on us include the Airport Noise and Capacity Act of 1990, the Clean Air Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Safe Drinking Water Act, and the Comprehensive Environmental Response, Compensation, and Liability Act. Certain of our operations are also subject to the oversight of the Occupational Safety and Health Administration (OSHA) concerning employee safety and health matters. The U.S. Environmental Protection Agency (EPA), OSHA, and other federal agencies have been authorized to promulgate regulations that affect our operations. In addition to these federal activities, various states have been delegated certain authority under the aforementioned federal statutes. Many state and local governments have adopted environmental and employee safety and health laws and regulations, some of which are similar to or stricter than federal requirements, such as California.

The EPA is authorized to regulate aircraft emissions and has historically implemented emissions control standards previously adopted by the International Civil Aviation Organization. Our aircraft comply with the existing EPA standards as applicable by engine design date.

We seek to minimize the impact of carbon emissions from our operations through reductions in our fuel consumption and other efforts. We have reduced the fuel needs of our aircraft fleet through the retirement and replacement of certain elements of our fleet and with newer, more fuel efficient aircraft. In addition, we have implemented fuel saving procedures in our flight and ground support operations that further reduce carbon emissions. In 2012, we earned the first-ever aviation based carbon credits, through the reduction of our carbon dioxide emissions with the use of an eco-friendly engine washing technology. We are also supporting efforts to develop alternative fuels and efforts to modernize the air traffic control system in the U.S. as part of our efforts to reduce our emissions and minimize our impact on the environment.

Noise Abatement

Under the Airport Noise and Capacity Act, the DOT allows local airport authorities to implement procedures designed to abate special noise problems, provided such procedures do not unreasonably interfere with interstate and foreign commerce, or the national transportation system. Certain airports, including the major airports at Los Angeles, San Diego, San Francisco, and San Jose, California and Sydney, Australia, have established airport restrictions to limit noise, including restrictions on aircraft types to be used and limits on the number of hourly or daily operations or the time of such operations. Local authorities at other airports could consider adopting similar noise regulations. In some instances, these restrictions have caused curtailments in services or increases in operating costs, and such restrictions could limit our ability to expand our operations.

Civil Reserve Air Fleet Program

The U.S. Department of Defense regulates the Civil Reserve Air Fleet (CRAF) and government charters. We have elected to participate in the CRAF program by agreeing to make aircraft available to the federal government for use by the U.S. military under certain stages of readiness related to national emergencies. The program is a standby arrangement that allows the U.S. Department of Defense U.S. Transportation Command to call on as many as nine contractually committed Hawaiian aircraft and crews to supplement military airlift capabilities. None of our aircraft are presently mobilized under this program.

Table of Contents

Other Regulations

The State of Hawai'i is uniquely dependent upon air transportation. The 2008 shutdowns of air carriers Aloha Airlines and ATA Airlines affected the State of Hawai'i, and its legislature responded by enacting legislation that reflects and attempts to address its concerns. For example, House Bill 2250 HD1, Act 1 of the 2008 Special Session, establishes a statutory scheme for the regulation of Hawai'i neighbor island air carriers, provided that federal legislation is enacted to permit its implementation. Congress has not enacted any legislation that would allow this legislation to go into effect.

Additionally, several aspects of airline operations are subject to regulation or oversight by federal agencies other than the FAA and the DOT. Federal antitrust laws are enforced by the U.S. Department of Justice. The U.S. Postal Service has jurisdiction over certain aspects of the transportation of mail and related services provided by our cargo services. Labor relations in the air transportation industry are generally regulated under the Railway Labor Act. We and other airlines certificated prior to October 24, 1978 are also subject to preferential hiring rights granted by the Airline Deregulation Act to certain airline employees who have been furloughed or terminated (other than for cause). The Federal Communications Commission issues licenses and regulates the use of all communications frequencies assigned to us and the other airlines. There is increased focus on consumer protection both on the federal and state level. We cannot predict the cost of such requirements on our operations.

Additional laws and regulations are proposed from time to time, which could significantly increase the cost of airline operations by imposing additional requirements or restrictions. U.S. law restricts the ownership of U.S. airlines to corporations where no more than 25% of the voting stock may be held by non-U.S. citizens and the airline must be under the actual control of U.S. citizens. The President and two thirds of the Board of Directors and other managing officers must also be U.S. citizens. Regulations also have been considered from time to time that would prohibit or restrict the ownership and/or transfer of airline routes or takeoff and landing slots and authorizations. Also, the award of international routes to U.S. carriers (and their retention) is regulated by treaties and related agreements between the U.S. and foreign governments, which are amended from time to time. We cannot predict what laws and regulations will be adopted or what changes to international air transportation treaties will be adopted, if any, or how we will be affected by those changes.

Business Segment Data

We operate in a single industry segment. All required financial segment information can be found in the consolidated financial statements.

Information about Geographic Revenue and Foreign Operations

Information concerning revenues by geographic area is set forth in Note 14 to the consolidated financial statements.

Information on risks attendant to our foreign operations is set forth in Item 1A, Risk Factors.

Available Information

General information about us, including the charters for the committees of our Board of Directors, can be found at <http://www.hawaiianairlines.com/aboutus>. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments and exhibits to those reports, are available free of charge through our website as soon as reasonably practicable after we electronically file them with, or furnish them to, the Securities and Exchange Commission (SEC). The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, which can be found at <http://www.sec.gov>. Information on our website is not incorporated into this Annual Report on Form 10-K or our other securities filings and is not a part of such filings.

ITEM 1A. RISK FACTORS.

In addition to the risks identified elsewhere in this report, the following risk factors apply to our business, results of operations and financial conditions:

ECONOMIC RISKS

Our business is affected by global economic volatility.

Our business and results of operations are significantly impacted by general world-wide economic conditions.

Demand for discretionary purchases including air travel and vacations to Hawai'i remains unpredictable. Deterioration in demand may result in a reduction in our passenger traffic and/or increased competitive pressure on fares in the

markets we serve, resulting in a negative impact to our results of operations and financial condition. We cannot assure that we would be able to offset such revenue reductions by reducing our costs.

Table of Contents

Our business is highly dependent on the price and availability of fuel.

Our results and operations are heavily impacted by the price and availability of jet fuel. Fuel costs represented the single largest of Hawaiian's operating expenses for the last several years (33% of total operating expenses in 2014). The cost and availability of jet fuel remain volatile and are subject to political, economic and market factors that are generally outside of our control. Prices may be affected by many factors including, without limitation, the impact of political instability, crude oil production and refining capacity, unexpected changes in the availability of petroleum products due to disruptions at distribution systems or refineries, unpredicted increases in demand due to weather or the pace of global economic growth, inventory reserve levels of crude oil and other petroleum products, the relative fluctuation between the U.S. dollar and other major currencies and the actions of speculators in commodity markets. Because of the effects of these factors on the price and availability of jet fuel, the cost and future availability of fuel cannot be predicted with any degree of certainty. Also, due to the competitive nature of the airline industry, there can be no assurance that we will be able to increase our fares or other fees to sufficiently offset increased fuel prices. We enter into derivative agreements to protect against rising fuel costs. There is no assurance that such agreements will protect us against price volatility during unfavorable market conditions or that our counterparties will be able to perform under these hedge arrangements. Also, if fuel prices fall significantly below the levels in existence at the time we enter into our hedging contracts, we may be required to post a significant amount of cash collateral, which could have an impact on the level of our unrestricted cash and cash equivalents and adversely affect our liquidity. Also, see Item 7A, Quantitative and Qualitative Disclosures About Market Risk, for further information regarding our exposure to the price of fuel.

Our business is highly dependent on tourism to, from and amongst the Hawaiian Islands and our financial results could suffer if there is a downturn in tourism levels.

Our principal base of operations is in Hawai'i and our revenue is linked primarily to the number of travelers (mostly tourists) to, from and amongst the Hawaiian Islands. Hawai'i tourism levels are affected by, among other things, the political and economic climate in Hawai'i's main tourism markets, the availability of hotel accommodations, promotional spending by competing destinations, the popularity of Hawai'i as a tourist destination relative to other vacation destinations and other global factors, including natural disasters, safety and security. From time to time, various events and industry specific problems such as labor strikes have had a negative impact on tourism in Hawai'i. The occurrence of natural disasters, such as earthquakes and tsunamis, in Hawai'i or other parts of the world, could also have a material adverse effect on Hawai'i tourism. In addition, the potential or actual occurrence of terrorist attacks, wars, and the threat of other negative world events have had, and may in the future again have, a material adverse effect on Hawai'i tourism. No assurance can be given that the level of passenger traffic to Hawai'i will not decline in the future. A decline in the level of Hawai'i passenger traffic could have a material adverse effect on our results of operations and financial condition.

Our business is exposed to foreign currency exchange rate fluctuations.

Our business is expanding internationally with an increasing percentage of our passenger revenue generated from our International routes. Fluctuations in foreign currencies can significantly affect our results of operations and financial condition. To manage the effects of fluctuating exchange rates, we periodically enter into foreign currency forward contracts. There is no assurance that such agreements will protect us against foreign currency exchange rate fluctuations during unfavorable market conditions or that our counterparties will be able to perform under these hedge arrangements.

LIQUIDITY RISKS

See Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, for further information regarding our liquidity.

Our financial liquidity could be adversely affected by credit market conditions.

Our business requires access to capital markets to finance equipment purchases, including aircraft, and to provide liquidity in seasonal or cyclical periods of weaker revenue generation. In particular, we will face specific funding requirements with respect to our obligation under purchase agreements with Airbus to acquire new aircraft. We intend to finance these upcoming aircraft deliveries; however, the unpredictability of global credit market conditions may adversely affect the availability of financing or may result in unfavorable terms and conditions. We can offer no

assurance that the financing we need will be available when required or that the economic terms on which it is available will not adversely affect our financial condition. If we cannot obtain financing or we cannot obtain financing on commercially reasonable terms, our business and financial condition will be adversely affected.

Table of Contents

Our substantial debt could adversely affect our liquidity and financial condition, and include covenants that impose restrictions on our financial and business operations.

As of December 31, 2014, we had \$948 million in outstanding debt. Our substantial debt and related covenants could:

- expose us to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow for other operational purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limit, along with the financial and other restrictive covenants in the agreements governing our debt, our ability to borrow additional funds;
- place us at a competitive disadvantage compared to other less leveraged competitors and competitors with debt agreements on more favorable terms than us; and
- adversely affect our ability to secure additional financing in the future on acceptable terms or at all, which would impact our ability to fund our working capital, capital expenditures, acquisitions or other general purpose needs.

The terms of certain of our financing agreements restrict our ability to, among other things, incur additional indebtedness, issue preferred stock or pay dividends.

These agreements also require us to meet certain financial covenants. If we breach any of these covenants it could result in a default under these facilities, which could cause our outstanding obligations under these facilities to accelerate and become due and payable immediately, and could also cause us to default under our other debt or lease obligations and lead to an acceleration of the obligations related to such other debt or lease obligations. The existence of such a default could also preclude us from borrowing funds under our credit facilities.

Our ability to comply with the provisions of financing agreements can be affected by events beyond our control and a default under any such financing agreements if not cured or waived, could have a material adverse effect on us. In the event our debt is accelerated, we may not have sufficient liquidity to repay these obligations or to refinance our debt obligations, resulting in a material adverse effect on our financial condition.

We could be required to maintain reserves under our credit card processing agreements which could adversely affect our financial and business operations.

Under our bank-issued credit card processing agreements, certain proceeds from advance ticket sales may be held back to serve as collateral to cover any possible chargebacks or other disputed charges that may occur. These holdbacks totaled \$5.0 million as of December 31, 2014. In the event of a material adverse change in our business, the holdback could incrementally increase to an amount up to 100% of the applicable credit card air traffic liability, which would also cause an increase in the level of restricted cash. If we are unable to obtain a waiver, or otherwise mitigate the increase in restricted cash, it could adversely affect our liquidity and also cause a covenant violation under other debt or lease obligations and have a material adverse effect on our financial condition.

Our obligations for funding our defined benefit pension plans are significant and are affected by factors beyond our control.

We sponsor three defined benefit pension plans, as well as a separate plan to administer pilots' disability benefits. As of December 31, 2014, the unfunded pension and disability obligation related to these plans was \$222 million. The timing and amount of funding requirements depend upon a number of factors, including labor negotiations and changes to pension plan benefits as well as factors outside our control, such as the number and demographic data of qualified retiring employees, asset returns, interest rates and changes in pension laws. These factors, along with the impact of results that can vary significantly from estimates, may significantly impact our funding requirements and have an adverse effect on our financial condition.

Our ability to use our net operating loss ("NOL") carryforwards to offset future taxable income for U.S. federal income tax purposes may be significantly limited due to various circumstances, including certain possible future transactions involving the sale or issuance of our common stock.

Our ability to use our NOL carryforwards may be limited if we experience an "ownership change" as defined in Section 382 ("Section 382") of the Internal Revenue Code of 1986, as amended. An ownership change generally occurs if certain stockholders increase their aggregate percentage ownership of a corporation's stock by more than 50 percentage points over their lowest percentage ownership at any time during the testing period, which is generally

the three-year period preceding any potential ownership change.

There is no assurance that we will not experience a future ownership change under Section 382 that may significantly limit or possibly eliminate our ability to use our NOL carryforwards. Potential future transactions involving the sale or issuance of our

Table of Contents

common stock, including the exercise of conversion options under the terms of our convertible notes, repurchase of such debt with our common stock, issuance of our common stock for cash and the acquisition or disposition of such stock by a stockholder owning 5% or more of our common stock, or a combination of such transactions, may increase the possibility that we will experience a future ownership change under Section 382.

Under Section 382, a future ownership change could subject us to additional annual limitations that apply to the amount of pre-ownership change NOL carryforwards that may be used to offset post-ownership change taxable income. This limitation is generally determined by multiplying the value of a corporation's stock immediately before the ownership change by the applicable long-term tax-exempt rate. Any unused annual limitation may, subject to certain limits, be carried over to later years, and the limitation may under certain circumstances be increased by built-in gains (for example, the amount by which the fair market value of an asset exceeds our adjusted basis) in the assets held by us at the time of the ownership change. This limitation could cause our U.S. federal income taxes to be greater, or to be paid earlier, than they otherwise would be, and could cause all or a portion of our NOL carryforwards to expire unused. Similar rules and limitations may apply for state income tax purposes.

The settlement of our convertible notes in cash and/or common stock could negatively impact our liquidity position and cause dilution to the interests of our existing stockholders.

As of December 31, 2014, we had \$71 million aggregate principal amount of convertible notes outstanding. During the quarter ended December 31, 2014, a condition for conversion was satisfied, which permits holders of the convertible notes to surrender their notes for conversion during the quarter ending March 31, 2015. It is our intent to settle the principal amount of the convertible notes in cash upon conversion. However, we have the right to alternatively deliver shares of our common stock or a combination thereof to settle this obligation. Settlement of the outstanding convertible notes in cash may have an adverse impact on our liquidity, while the issuance of shares to settle this obligation could cause significant dilution to the interests of the existing stockholders.

COMPETITIVE ENVIRONMENT RISKS

We operate in an extremely competitive environment.

The airline industry is characterized by low profit margins, high fixed costs and significant price competition. We currently compete with other airlines on our Neighbor Island, North America and International routes. The commencement of, or increase in, service on our routes by existing or new carriers could negatively impact our operating results. Many of our competitors on our North America and International routes are larger and have greater financial resources and brand recognition than we do. Aggressive marketing tactics or a prolonged fare war initiated by one or more of these competitors could adversely affect our financial resources and our ability to compete in these markets. Since airline markets have few natural barriers to entry, we also face the threat of new entrants in all of our markets, including competition from low-cost carriers (LCC). For example, Allegiant, a LCC, launched flights from the West Coast to Hawai'i in 2012 while Southwest Airlines has taken steps to enable it to provide service to Hawai'i in the future, but has yet to formally announce the service.

Furthermore, large network carriers have significantly reduced their costs and adjusted their routes to compete with LCCs in their existing markets by diverting resources to long-haul markets such as Hawai'i, where LCC competition has been less severe. Additional capacity to Hawai'i, whether from network carriers or LCCs, could decrease our share of the markets in which we operate, could cause a decline in our yields, or both, which could have a material adverse effect on our results of operations and financial condition.

Airline bankruptcy restructuring, strategic combinations or industry consolidation could have an impact on our competitive environment.

Many of our competitors have dramatically reduced operating costs through a combination of bankruptcy restructuring, industry consolidation and vendor and labor negotiations to increase market strength. Several domestic airlines were able to reduce labor costs, restructure debt and lease agreements and implement other financial improvements through the bankruptcy process. In addition, certain of our competitors have merged (for example the American Airlines and US Airways merger in December 2013) to create larger and more financially sound airlines. Through consolidation, carriers have the opportunity to achieve cost reductions by eliminating redundancy in their networks and operating structures. With reduced costs, these competitors are more capable of operating profitably in an environment of reduced fares and may, as a result, increase service in our primary markets or reduce fares to attract

additional customers. Because airline customers are price sensitive, we cannot ensure that we will be able to attract a sufficient number of customers at sufficiently high fare levels to generate profitability, or that we will be able to reduce our operating costs sufficiently to remain competitive with these other airlines.

Table of Contents

The concentration of our business in Hawai'i, and between Hawai'i and the U.S. mainland, provides little diversification of our revenue.

During fiscal year 2014, approximately 73% of our passenger revenue was generated from air transportation between the Hawaiian Islands and the U.S. mainland, and amongst the Hawaiian Islands. Many of our competitors, particularly major network carriers with whom we compete on our North America routes, enjoy greater geographical diversification of their revenue. A reduction in the level of demand for travel within Hawai'i, or to Hawai'i from the U.S. mainland, or an increase in the level of industry capacity on these routes may reduce the revenue we are able to generate and adversely affect our financial results. As these routes account for a significantly higher proportion of our revenue than they do for many of our competitors, such a reduction would have a relatively greater adverse effect on our financial results.

Our business is affected by the competitive advantages held by network carriers in the North America market.

During fiscal year 2014, approximately 49% of our passenger revenue was generated from our North America routes. The majority of competition on our North America routes is from network carriers such as Alaska, American, Delta and United that have a number of competitive advantages. Primarily, network carriers generate passenger traffic from and throughout the U.S. mainland, which enable them to attract higher customer traffic levels as compared to us.

In contrast, we lack a comparable direct network to feed passengers to our North America flights and are therefore more reliant on passenger demand in the specific cities we serve. We also rely on our code-share partner agreements (jetBlue, Virgin America Airlines, etc.) to provide customers access to and from North America destinations currently unserved by us. Most network carriers operate from hubs, which can provide a built-in market of passengers, depending on the economic strength of the hub city and the size of the customer group that frequent the airline. Our Honolulu and Maui hubs do not originate a large proportion of North American travel, nor do they have the population or potential customer franchise of a larger city to provide us with a built-in market. Passengers in the North America market, for the most part, do not originate in Honolulu, but rather on the U.S. mainland, making Honolulu primarily a destination rather than an origin of passenger traffic.

Our Neighbor Island market is affected by narrow body competition from regional carriers.

During fiscal year 2014, approximately 24% of our passenger revenue was generated from our Neighbor Island routes. Although we enjoy a strong competitive position on the Neighbor Island service, increased competition from regional carriers is possible. A decline in our share of the Neighbor Island market due to increased capacity provided by our competitors could have a material adverse effect on our results of operations and financial condition.

Our International routes are affected by competition from domestic and foreign carriers.

During fiscal year 2014, approximately 27% of our revenue was generated from our International routes. Our competitors on these routes include both domestic and foreign carriers. Both domestic and foreign competitors have a number of competitive advantages that may enable them to attract higher customer traffic levels as compared to us. Many of our domestic competitors have joined airline alliances, which provide customers access to each participating airline's international network, allowing for convenience and connectivity to their destinations. These alliances formed by our domestic competitors have increased in recent years. In some instances our domestic competitors have been granted antitrust exemptions to form joint venture arrangements in certain geographies, further deepening their cooperation on certain routes. We currently do not participate in a world-wide airline alliance or any joint ventures, which may negatively impact our market share and operations as capacity provided by our competitors increase. To mitigate this risk, we rely on code-share agreements with partner airlines to provide customers access to international destinations currently unserved by us.

Many of our foreign competitors are network carriers that generate passenger traffic throughout International routes that we service. In contrast, we lack a comparable direct network to feed passengers to our International flights, and are therefore more reliant on passenger demand in the specific destinations that we serve. Most network carriers operate from hubs, which can provide a built-in home base market of passengers. Passengers on our International routes, for the most part, do not originate in Hawai'i, but rather internationally, in these foreign markets' home base. We also rely on our code-share agreements and our relationships with travel agencies and wholesale distributors to provide customers access to and from International destinations currently unserved by us.

STRATEGY AND BRAND RISKS

Our failure to successfully implement our route and network maturation strategy could harm our business. Our route maturation strategy includes initiatives to increase revenue, decrease costs, mature our network, and improve our distribution sales channels. It is critical that we execute upon our planned strategy in order for our business to attain economies of scale and to sustain or improve our results of operations. If we are unable to utilize and fill increased capacity provided by

Table of Contents

additional aircraft entering our fleet, hire and retain skilled personnel, or secure the required equipment and facilities in a cost-effective manner, we may be unable to successfully develop and grow our existing markets, which may adversely affect our business and operations.

We continue to strive toward aggressive cost-containment goals which are an important part of our business strategy to offer the best value to passengers through competitive fares while maintaining acceptable profit margins and return on capital. We believe a lower cost structure will better position us to fund our strategy and take advantage of market opportunities. If we are unable to adequately contain our non-fuel unit costs, our financial results may suffer. Our reputation and financial results could be harmed in the event of adverse publicity, including the event of an aircraft accident.

Our customer base is broad and our business activities have significant prominence, particularly in Hawai'i and other destinations we serve. Consequently, negative publicity resulting from real or perceived shortcomings in our customer service, employee relations, business conduct, or other events affecting our operations could negatively affect the public image of our company and the willingness of customers to purchase services from us, which could affect our financial results.

Additionally, we are exposed to potential losses that may be incurred in the event of an aircraft accident. Any such accident could involve not only the repair or replacement of a damaged aircraft and its consequential temporary or permanent loss of revenue, but also significant potential claims of injured passengers and others. We are required by the U.S. Department of Transportation (DOT) to carry liability insurance, and although we currently maintain liability insurance in amounts consistent with the industry, we cannot be assured that our insurance coverage will adequately cover us from all claims and we may be forced to bear substantial losses incurred with the accident. In addition, any aircraft accident or incident could cause a public perception that we are less safe or reliable than other airlines, which would harm our business.

FLEET AND FLEET-RELATED RISKS

We are dependent on a limited number of suppliers for aircraft, aircraft engines and parts.

We are dependent on The Boeing Company (Boeing) and Airbus S.A.S. (Airbus) as our primary suppliers of aircraft and aircraft-related items. As a result, we are vulnerable to any problems associated with the supply of those aircraft and parts which could result in increased parts and maintenance costs in future years.

Our agreements to purchase Airbus A330-200, A321neo aircraft, and A330-800neo aircraft represent significant future financial commitments and operating costs.

As of December 31, 2014, we had the following firm order commitments and purchase rights for aircraft:

Aircraft Type	Firm Orders	Purchase Rights	Expected Delivery Dates
A330-200 aircraft	3	3	In 2015
A330-800neo aircraft	6	6	Between 2019 and 2021
A321neo aircraft	16	9	Between 2017 and 2020

We have made substantial pre-delivery payments for Airbus aircraft under existing purchase agreements and are required to continue these pre-delivery payments as well as payments for the balance of the purchase price through delivery of each aircraft. These commitments substantially increase our future capital spending requirements and will require us to significantly increase our level of debt in future years. There can be no assurance that we will be able to raise capital to finance these requirements or that such financing can be obtained on favorable terms, or at all.

The Airbus aircraft will replace expiring leased and retiring Boeing 767-300 aircraft in future years. We cannot be assured that the associated return and retirement costs will not exceed our expectations and adversely impact our results of operations and liquidity.

Delays in scheduled aircraft deliveries or other loss of fleet capacity may adversely impact our operations and financial results.

The success of our business depends on, among other things, the ability to effectively operate a certain number and type of aircraft. As mentioned above, we have contractual commitments to purchase and integrate Airbus aircraft into

our fleet. If for any reason we are unable to secure deliveries of the Airbus aircraft on contractually scheduled delivery dates and successfully introduce these aircraft into our fleet, then our business, operations and financial performance could be negatively impacted. Our failure to integrate newly purchased Airbus aircraft into our fleet as planned may require us to seek extensions on our

Table of Contents

existing leased aircraft. Such extensions may require us to operate existing aircraft beyond the point at which it is economically optimal to retire them, resulting in increased maintenance costs.

COMMON STOCK RISKS

Our share price is subject to fluctuations and stockholders could have difficulty trading shares.

The market price of our stock is influenced by many factors, a number of which are outside of our control, and include the following:

- operating results and financial condition;
- changes in the competitive environment in which we operate;
- fuel price volatility including the availability of fuel;
- announcements concerning our competitors including bankruptcy filings, mergers, restructurings or acquisitions by other airlines;
- increases or changes in government regulation;
- general and industry specific market conditions;
- changes in financial estimates or recommendations by securities analysts; and
- sales of our common stock or other actions by investors with significant shareholdings.

In recent years the stock market has experienced volatile price and volume fluctuations that often have been unrelated to the operating performance of individual companies. These market fluctuations, as well as general economic conditions may affect the price of our common stock.

In the past, securities class action litigation has often been instituted against a company following periods of volatility in the company's stock price. This type of litigation, if filed against us, could result in substantial costs and divert our management's attention and resources. In addition, the future sale of a substantial number of shares of common stock by us or by our existing stockholders may have an adverse impact on the market price of the shares of common stock. There can be no assurance that the trading price of our common stock will remain at or near its current level.

INFORMATION TECHNOLOGY AND THIRD-PARTY RISKS

We are increasingly dependent on technology and automated systems to operate our business.

We depend heavily on technology and automated systems to effectively operate our business. These systems include flight operations systems, communications systems, airport systems, reservations systems, management and accounting systems, commercial websites, including www.hawaiianairlines.com, and other systems, all of which must be able to accommodate high traffic volumes, maintain secure information and provide accurate flight information, as well as process critical financial related transactions. Any substantial or repeated failures of these systems could negatively affect our customer service, compromise the security of customer information, result in the loss of important data, loss of revenue and increased costs, and generally harm our business. Like other companies, our systems may be vulnerable to disruptions due to events beyond our control, including natural disasters, power disruptions, software or equipment failures, terrorist attacks, cybersecurity threats, computer viruses and hackers. There can be no assurance that the measures we have taken to reduce the adverse effects of certain potential failures or disruptions are adequate to prevent or remedy disruptions of our systems. In addition, we will need to continuously make significant investments in technology to periodically upgrade and replace existing systems. If we are unable to make these investments or fail to successfully implement, upgrade or replace our systems, our business could be adversely impacted.

If we do not maintain the privacy and security of customer-related information, we could damage our reputation, incur substantial additional costs and become subject to litigation.

We receive, retain, and transmit certain personal information about our customers. In addition, our online operation at www.hawaiianairlines.com relies on the secure transmission of confidential information over public networks, including credit card information. A compromise of our physical and network security systems through a cybersecurity attack, including those of our business partners, may result in our customers' personal information being obtained by unauthorized persons, which could adversely affect our reputation, as well as negatively impact our business, results of operations, financial position and liquidity, and could result in the imposition of penalties or litigation against us. In addition, a cybersecurity breach could require that we expend significant additional resources related to the security of information systems which could result in a disruption of our operations.

Table of Contents

We are highly reliant on third-party contractors to provide certain facilities and services for our operations, and termination of our third-party agreements could have a potentially adverse effect on our financial results.

We have historically relied on outside vendors for a variety of services and functions critical to our business, including aircraft maintenance and parts, code-sharing, reservations, computer services including hosting and software maintenance, accounting, frequent flyer programs, passenger processing, ground facilities, baggage and cargo handling, personnel training and the distribution and sale of airline seats. As part of our cost-reduction efforts, our reliance on outside vendors has increased and may continue to do so in the future.

The failure of any of our third-party service providers to adequately perform our service obligations, or other interruptions of services, may reduce our revenues, increase expenses, and prevent us from operating our flights and providing other services to our customers. In addition, our business and financial performance could be materially harmed if our customers believe that our services are unreliable or unsatisfactory.

LABOR RELATIONS AND RELATED COSTS RISKS

We are dependent on satisfactory labor relations.

Labor costs are a significant component of airline expenses and can substantially impact an airline's results of operations. A significant portion of our workforce is represented by labor unions. We may make strategic and operational decisions that require the consent of one or more of these labor unions, and these labor unions could demand additional wages, benefits or other consideration in return for their consent.

In addition, we have entered into collective bargaining agreements with our pilots, mechanical group employees, clerical group employees, flight attendants and dispatchers. We cannot ensure that future agreements with our employees' labor unions will be on terms in line with our expectations or comparable to agreements entered into by our competitors, and any future agreements may increase our labor costs or otherwise adversely affect our business. If we are unable to reach an agreement with any unionized work group, we may be subject to future work interruptions and/or stoppages, which may hamper or halt operations.

Our operations may be adversely affected if we are unable to attract and retain qualified personnel and key executives. We are dependent on the knowledge and expertise of our key executives. Attracting and retaining such personnel in the airline industry is highly competitive. We cannot be certain that we will be able to retain our key executives or attract other qualified personnel in the future. Any inability to retain our key executives, or attract and retain additional qualified executives, could have a negative impact on our operations.

In addition, as we continue to expand our operations through the acquisition of new aircraft and introduction of service to new markets, it may be challenging to attract qualified personnel including pilots, mechanics and other skilled labor. As we compete with other carriers for qualified personnel we also face the challenge of attracting individuals who embrace our team-oriented, friendly and customer-driven corporate culture. Our inability to attract and retain qualified personnel who embrace our corporate culture could have a negative impact on our reputation and overall operations.

A higher than normal number of pilot retirements could adversely affect us.

We currently have a large number of pilots eligible for retirement. Among other things, the extension of pilot careers facilitated by the FAA's 2007 modification of the mandatory retirement age from age 60 to age 65 has now been fully implemented, resulting in large numbers of pilots in the industry approaching the revised mandatory retirement age. If pilot retirements were to exceed normal levels in the future, it may adversely affect our operations.

AIRLINE INDUSTRY, REGULATION AND RELATED COSTS RISKS

The airline industry has substantial operating leverage and is affected by many conditions that are beyond its control, including delays, cancellations and other conditions, which could harm our financial condition and results of operations.

The airline industry operates on low gross profit margins as a result of a high percentage of fixed costs. Due to these fixed costs, there is a disproportionate relationship between the cost of operating each flight and the number of passengers carried. However, the revenue generated from a particular flight is directly related to the number of passengers carried and the respective average fares applied. Accordingly, a decrease in the number of passengers carried would cause a corresponding decrease in revenue (if not offset by higher fares), and it may result in a disproportionately greater decrease in profits. Therefore, any general reduction in airline passenger traffic as a result

of any of the following or other factors, which are largely outside of our control, could harm our business, financial condition and results of operations:

- decline in general economic conditions;
- continued threat of terrorist attacks and conflicts overseas;

Table of Contents

actual or threatened war and political instability;
adverse weather and natural disasters;
changes in consumer preferences, perceptions or spending patterns;
increased costs related to security and safety measures;
outbreak of contagious diseases; and
actual or potential disruptions in the air traffic control system.

Our results from operations may be volatile due to the conditions identified above. We cannot ensure that our financial resources will be sufficient to absorb the effects of any of these unexpected factors should they arise.

Our business is subject to substantial seasonal and cyclical volatility.

Our results of operations will reflect the impact of seasonal volatility primarily due to passenger leisure and holiday travel patterns. As Hawai'i is a popular vacation destination, demand from North America, our largest source of visitors, is typically stronger during June, July, August and December and considerably weaker at other times of the year. Because of fluctuations in our results from seasonality, operating results for a historical period are not necessarily indicative of operating results for a future period and operating results for an interim period are not necessarily indicative of operating results for an entire year.

Terrorist attacks or international hostilities, or the fear of terrorist attacks or hostilities, even if not made directly on the airline industry, could negatively affect us and the airline industry.

Terrorist attacks, even if not made directly on the airline industry, or the fear of such attacks, hostilities or act of war, could adversely affect the airline industry, including us, and could result in a significant decrease in demand for air travel, increased security costs, increased insurance costs covering war-related risks, and increased flight operational loss due to cancellations and delays. Any future terrorist attacks or the implementation of additional security-related fees could have a material adverse effect on our business, financial condition and results of operations and on the airline industry in general.

The airline industry is subject to extensive government regulation, new regulations, and taxes which could have an adverse effect on our financial condition and results of operations.

Airlines are subject to extensive regulatory requirements that result in significant costs. Additional laws, regulations, taxes and airport rates and charges imposed by domestic and foreign governments have been proposed from time to time that could significantly increase the cost of airline operations or reduce revenue. For example, the ATSA, which became law in November 2001, mandates the federalization of certain airport security procedures and imposes additional security requirements on airlines. The FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that require significant expenditures. Some FAA requirements cover, among other things, retirement of older aircraft, security measures, collision avoidance systems, airborne windshear avoidance systems, noise abatement and other environmental concerns, commuter aircraft safety and increased inspections and maintenance procedures to be conducted on older aircraft. A failure to be in compliance, or a modification, suspension or revocation of any of our DOT/FAA authorizations or certificates would have a material adverse impact on our operations.

We cannot predict the impact that laws or regulations may have on our operations, nor can we ensure that laws or regulations enacted in the future will not adversely affect our business. Further we cannot guarantee that we will be able to obtain or maintain necessary governmental approvals. Once obtained, operating permits are subject to modification and revocation by the issuing agencies. Compliance with these and any future regulatory requirements could require us to incur significant capital and operating expenditures.

In addition to extensive government regulations, the airline industry is dependent on certain services provided by government agencies (DOT, FAA, etc.). For example, spending restrictions due to federal sequestration of air traffic controllers in the United States subject to furlough may lead to a reduction in air traffic control services. A reduction in such services could have a material adverse effect on our results of operations.

Furthermore, because of significantly higher security and other costs incurred by airports since September 11, 2001, many airports have significantly increased their rates and charges to airlines, including us, and may do so again in the future.

Table of Contents

The airline industry is required to comply with various environmental laws and regulations, which could inhibit our ability to operate and could also have an adverse effect on our results of operations.

Many aspects of airlines' operations are subject to increasingly stringent federal, state, local and foreign laws protecting the environment. U.S. federal laws that have a particular impact on us include the Airport Noise and Capacity Act of 1990, the Clean Air Act, the Resource Conservation and Recovery Act, the Clean Water Act, the Safe Drinking Water Act, the Comprehensive Environmental Response Act and the Compensation and Liability Act. Compliance with these and other environmental laws and regulations can require significant expenditures, and violations can lead to significant fines and penalties. Governments globally are increasingly focusing on the environmental impact caused by the consumption of fossil fuels and as a result have proposed or enacted legislation which may increase the cost of providing airline service or restrict its provision. We expect the focus on environmental matters to increase.

Concern about climate change and greenhouse gases may result in additional regulation of aircraft emissions in the U.S. and abroad. As a result, we may become subject to taxes, charges or additional requirements to obtain permits or purchase allowances or emission credits for greenhouse gas emissions in various jurisdictions, which could result in taxation or permitting requirements from multiple jurisdictions for the same operations.

Cap and trade restrictions have also been proposed in Congress. In addition, other legislative or regulatory action to regulate greenhouse gas emissions is possible. In particular, the EPA has found that greenhouse gases threaten the public health and welfare, which could result in regulation of greenhouse gas emissions from aircraft. In the event that legislation or regulation is enacted in the U.S. or in the event similar legislation or regulation is enacted in jurisdictions where we operate or where we may operate in the future, it could adversely affect operations and result in significant costs for us and the airline industry. At this time, we cannot predict whether any such legislation or regulation would apportion costs between one or more jurisdictions in which we operate flights. Under these systems, certain credits may be available to reduce the costs of permits in order to mitigate the impact of such regulations on consumers, but we cannot predict whether we or the airline industry in general will have access to offsets or credits. We are monitoring and evaluating the potential impact of such legislative and regulatory developments.

In addition to direct costs, such regulation may have a greater effect on the airline industry through increases in fuel costs that could result from fuel suppliers passing on increased costs that they incur under such a system. The impact to us and our industry from such actions is likely to be adverse and could be significant, particularly if regulators were to conclude that emissions from commercial aircraft cause significant harm to the upper atmosphere or have a greater impact on climate change than other industries.

Our operations may be adversely affected by our expansion into non-U.S. jurisdictions and the related increase in laws to which we are subject.

The expansion of our operations into non-U.S. jurisdictions has expanded the scope of the laws to which we are subject, both domestically and internationally. In addition, operations in non-U.S. jurisdictions are in many cases subject to the laws of those jurisdictions rather than U.S. law. Laws in some jurisdictions differ in significant respects from those in the United States, and these differences can affect our ability to react to changes in our business.

Further, enforcement of laws in some jurisdictions can be inconsistent and unpredictable, which can affect our ability to enforce our rights and to undertake activities that we believe are beneficial to our business.

Our financial results and operations may be negatively affected by the State of Hawai'i's airport modernization plan. The State of Hawai'i has begun to implement a modernization plan encompassing the airports we serve within the State. Our landing fees and airport rent rates have increased to fund the modernization program. Additionally, we expect the costs for our Neighbor Island operations to increase more than the costs related to our North America and International operations due to phased adjustments to the airport's funding mechanism. Therefore, costs related to the modernization program will have a greater impact on our operations as compared to our competitors, who do not have significant Neighbor Island operations. We can offer no assurance that we will be successful in offsetting these cost increases through other cost reductions or increases in our revenue and, therefore, can offer no assurance that our future financial results will not be negatively affected by them.

The construction work that is performed in connection with the State's modernization plan has temporarily narrowed the taxilanes used by our aircraft to depart and arrive at our assigned terminal. The temporary narrowing of the

taxilanes has congested the aircraft traffic in these areas, which has resulted in the delay of the departure and arrival of our aircraft. Significant delays and potential displacement resulting from the State's modernization plan may have a negative impact on our operations and on-time performance.

Table of Contents

Our operations may be disrupted if we are unable to obtain and maintain adequate facilities and infrastructure at airports within the State of Hawai'i.

We must be able to maintain and/or obtain adequate gates, office space, operations area and ticketing facilities at the airports within the State of Hawai'i to be able to operate our existing and proposed flight schedules. Failure to maintain such facilities and infrastructure may adversely impact our operations and financial performance.

Our insurance costs are susceptible to significant increases and further increases in insurance costs or reductions in coverage could have an adverse effect on our financial results.

We carry types and amounts of insurance customary in the airline industry, including coverage for general liability, passenger liability, property damage, aircraft loss or damage, baggage and cargo liability and workers' compensation. We are required by the DOT to carry liability insurance on each of our aircraft. We currently maintain commercial airline insurance with a major group of independent insurers that regularly participate in world aviation insurance markets, including public liability insurance and coverage for losses resulting from the physical destruction or damage to our aircraft. However, there can be no assurance that the amount of such coverage will not change or that we will not bear substantial losses from accidents or damage to, or loss of, aircraft or other property due to other factors such as natural disasters. We could incur substantial claims resulting from an accident or damage to, or loss of, aircraft or other property due to other factors such as natural disasters in excess of related insurance coverage that could have a material adverse effect on our results of operations and financial condition.

Following the terrorist attacks on September 11, 2001, our insurance costs increased significantly and the availability of third-party war risk (terrorism) insurance decreased significantly. We have obtained third-party war risk (terrorism) insurance through a special program administered by the FAA. An extension of such authority will require legislation by the U.S. Congress. Should the government discontinue this coverage, obtaining comparable coverage from commercial underwriters could result in substantially higher premiums and more restrictive terms, if it is available at all. If we are unable to obtain adequate third-party war risk (terrorism) insurance, our business could be materially and adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Aircraft

The table below summarizes our total fleet as of December 31, 2013, 2014 and expected 2015 (based on existing agreements):

	December 31, 2013			December 31, 2014			December 31, 2015			Seating Capacity (Per Aircraft)	Simple Average Age (In Years)
Aircraft Type	Leased(4)	Owned	Total	Leased(4)	Owned	Total	Leased(4)	Owned	Total		
A330-200(1)	7	7	14	7	12	19	10	12	22	294	2.2
767-300(2)	6	6	12	6	4	10	4	4	8	252 - 264	15.1
717-200	3	15	18	3	15	18	3	15	18	118 - 123	13.0
ATR42(3)	—	3	3	—	3	3	—	3	3	48	10.5
Total	16	31	47	16	34	50	17	34	51		

(1) During 2014, we took delivery and placed into revenue service five Airbus A330-200 aircraft for service on our North America and International routes. These aircraft were financed in part through proceeds from our EETC financing transaction. The increase in the number of leased aircraft in 2015 is due to the planned delivery of three aircraft to be financed through purchase assignment and lease transactions. See Note 8 for further discussion regarding the EETC financing transaction and Note 13 for further discussion regarding the purchase assignment and lease transactions.

During 2014, we retired two Boeing 767-300 aircraft at the end of their estimated useful life. The decrease in the (2) number of owned Boeing 767-300 aircraft from 2014 to 2015 is due to the planned return of two aircraft at the end of their lease terms.

Table of Contents

(3) The ATR42 aircraft are owned by Airline Contract Maintenance & Equipment, Inc., a wholly-owned subsidiary of the Company.

(4) Leased aircraft include both aircraft under capital and operating leases. See Note 9 to the consolidated financial statements for further discussion regarding our aircraft leases.

At December 31, 2014, we had firm aircraft orders as detailed below:

Delivery Year	A330-200 Aircraft	A321neo Aircraft(2)	A330-800neo Aircraft(3)	Total
2015	3	—	—	3
2016	—	—	—	—
2017	—	3	—	3
2018	—	6	—	6
2019	—	6	2	8
2020	—	1	2	3
2021	—	—	2	2
	3	16	6	25

(1) Firm orders include three Airbus A330-200 aircraft for which Hawaiian has secured financing through purchase assignment and lease transactions as discussed in Note 13 to the consolidated financial statements.

In 2013, Hawaiian executed a purchase agreement for the purchase of 16 new Airbus A321neo aircraft scheduled (2) for delivery between 2017 and 2020. The A321neo narrow-body aircraft will be used to complement Hawaiian's existing fleet of wide-body aircraft for travel to and from the West Coast on its North America routes.

In 2014, Hawaiian entered into an amendment (the "Purchase Agreement Amendment") to the Airbus A330/A350XWB Purchase Agreement to convert its order for six firm A350XWB-800 aircraft with an additional (3) six purchase rights into an order for six firm A330-800neo aircraft with an additional six purchase rights. The Purchase Agreement Amendment provides for delivery, subject to certain flexibility rights, of six A330-800neo aircraft starting in 2019. These fuel efficient, long-range aircraft will complement our existing fleet of wide-body, twin aisle aircraft used for long-haul flying on our North America and International routes.

Hawaiian has purchase rights for an additional three A330-200 aircraft, nine A321neo aircraft and six A330-800neo aircraft and can utilize these rights subject to production availability. Leases on three of the remaining six Boeing 767-300 leased aircraft will expire by the end of 2016. See Note 9 to the consolidated financial statements for additional information regarding our aircraft lease agreements.

Ground Facilities

Our principal terminal facilities, cargo facilities and hangar and maintenance facilities are located at the Honolulu International Airport (HNL). The majority of the facilities at HNL are leased on a month-to-month basis. We are also charged for the use of terminal facilities at the four major Neighbor Island airports owned by the State of Hawai'i. Some terminal facilities, including gates and holding rooms, are considered by the State of Hawai'i to be common areas and thus are not exclusively controlled by us. Other facilities, including station managers' offices, Premier Club lounges and operations support space, are considered exclusive-use space by the State of Hawai'i.

Table of Contents

The table below sets forth the airport locations we utilize pursuant to various agreements as of December 31, 2014:

Name of Airport	Location	
Phoenix Sky Harbor International Airport	Phoenix	Arizona
Los Angeles International Airport	Los Angeles	California
Oakland International Airport	Oakland	California
Sacramento International Airport	Sacramento	California
San Diego International Airport	San Diego	California
San Francisco International Airport	San Francisco	California
Norman Y. Mineta San Jose International Airport	San Jose	California
Hilo International Airport	Hilo	Hawai'i
Honolulu International Airport	Honolulu	Hawai'i
Kahului Airport	Kahului	Hawai'i
Kapalua Airport	Lahaina	Hawai'i
Kona International Airport	Kona	Hawai'i
Lana'i Airport	Lana'i	Hawai'i
Lihu'e Airport	Lihu'e	Hawai'i
Moloka'i Airport	Moloka'i	Hawai'i
McCarran International Airport	Las Vegas	Nevada
John F. Kennedy International Airport	New York	New York
Portland International Airport	Portland	Oregon
Seattle-Tacoma International Airport	Seattle	Washington
Pago Pago International Airport	Pago Pago	American Samoa
Faa'a International Airport	Papeete	Tahiti
Brisbane International Airport	Brisbane	Australia
Sydney International Airport	Sydney	Australia
Auckland Airport	Auckland	New Zealand
Kansai International Airport	Osaka	Japan
Haneda International Airport	Tokyo	Japan
New Chitose International Airport	Sapporo	Japan
Sendai Airport	Sendai	Japan
Incheon International Airport	Seoul	South Korea
Beijing Capital International Airport	Beijing	China

Our corporate headquarters are located in leased premises adjacent to the Honolulu International Airport.

ITEM 3. LEGAL PROCEEDINGS.

We are subject to legal proceedings arising in the normal course of our operations. We do not anticipate that the disposition of any currently pending proceeding will have a material effect on our operations, business or financial condition.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock is traded on the NASDAQ Stock Market, LLC (NASDAQ) under the symbol "HA." The following table sets forth the range of high and low sales prices of our common stock as reported on the NASDAQ for the periods indicated.

	High	Low
2014		
Fourth Quarter	\$26.06	\$12.62
Third Quarter	15.84	12.97
Second Quarter	16.25	12.67
First Quarter	14.73	9.62
2013		
Fourth Quarter	\$9.63	\$7.40
Third Quarter	7.72	6.16
Second Quarter	6.32	5.30
First Quarter	7.20	5.43

Holders

There were 1,041 stockholders of record of our common stock as of January 23, 2015, which does not reflect those shares held beneficially or those shares held in "street" name.

Dividends and Other Restrictions

We paid no dividends in 2014 or 2013. Restrictions contained in our financing agreements and certain of our aircraft lease agreements limit our ability to pay dividends on our common stock. We do not anticipate paying periodic cash dividends on our common stock for the foreseeable future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

United States law prohibits non-U.S. citizens from owning more than 25% of the voting interest of a U.S. air carrier or controlling a U.S. air carrier. Our certificate of incorporation prohibits the ownership or control of more than 25% (to be increased or decreased from time to time, as permitted under the laws of the U.S.) of our issued and outstanding voting capital stock by persons who are not "citizens of the U.S." As of December 31, 2014, we believe we are in compliance with the law as it relates to voting stock held by non-U.S. citizens.

Stockholder Return Performance Graph

The following graph compares cumulative total stockholder return on our common stock, the S&P 500 Index and the AMEX Airline Index from January 1, 2010 to December 31, 2014. The comparison assumes \$100 was invested on January 1, 2010 in our common stock and each of the foregoing indices and assumes reinvestment of dividends before consideration of income taxes. We have paid no dividends on our common stock.

Table of Contents

The stock performance depicted in the graph above is not to be relied upon as indicative of future performance. The stock performance graph shall not be deemed to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate the same by reference, nor shall it be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulations 14A or 14C or to the liabilities of Section 18 of the Exchange Act.

ITEM 6. SELECTED FINANCIAL DATA.

The Selected Financial Data should be read in conjunction with our accompanying audited consolidated financial statements and the notes related thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" below.

Table of ContentsHawaiian Holdings, Inc.
Selected Financial Data

	Year ended December 31,				
	2014	2013	2012	2011	2010
	(in thousands, except per share data)				
Summary of Operations:					
Operating revenue	\$2,314,879	\$2,155,865	\$1,962,353	\$1,650,459	\$1,310,093
Operating expenses	2,069,747	2,022,118	1,832,955	1,630,176	1,218,815
Operating income	245,132	133,747	129,398	20,283	91,278
Net Income (Loss)(a)	68,926	51,854	52,237	(2,649)	) 110,255
Net Income (Loss) Per Common Stock Share:					
Basic	\$1.29	\$1.00	\$1.04	\$(0.05)	) \$2.15
Diluted	1.10	0.98	1.01	(0.05)	) 2.10
Balance Sheet Items as of December 31:					
Total assets	\$2,602,528	\$2,164,261	\$1,865,824	\$1,487,529	\$1,117,499
Long-term debt, less discount, and capital lease obligations, excluding current maturities (b)	893,288	744,286	553,009	424,436	171,884

(a) In 2010, as a result of our demonstrated ability to generate sufficient taxable income, combined with certain tax planning strategies, management concluded that it was more likely than not that we would realize our deferred tax assets. Therefore, net income was positively affected by the release of our remaining valuation allowance of \$57.5 million.

(b) In 2014, we received proceeds of \$368.4 million in connection with the EETC financing for the purchase of five Airbus A330-200 aircraft. In 2013, we borrowed \$132.0 million to finance a portion of the purchase price of two Airbus A330-200 aircraft, and received proceeds of \$76.1 million in connection with the EETC financing for the purchase of one Airbus A330-200 aircraft. In 2012, we borrowed \$133.0 million to finance a portion of the purchase price of two Airbus A330-200 aircraft and took delivery of three aircraft (two Boeing 717 aircraft and one Airbus A330-200 aircraft) under capital leases. In 2011, we issued \$86.25 million principal amount of convertible notes due March 2016 and used the proceeds to pay off our outstanding secured revolving credit facility, borrowed \$192.8 million through secured loan agreements to finance a portion of the purchase price of 15 Boeing 717-200 aircraft and borrowed \$132.0 million to finance a portion of the purchase price of two Airbus A330-200 aircraft. See further discussion at Note 8 to the consolidated financial statements.

Table of Contents

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to help the reader understand the Company and its operations. This discussion and analysis of our financial condition and results of operations contains forward-looking statements that involve risks and uncertainties. We have based these forward-looking statements on our current expectations and projections of future events. However, our actual results could differ materially from those discussed herein as a result of the risks that we face, including but not limited to those risks stated in "Risk Factors." See "Cautionary Note Regarding Forward-Looking Statements," above. In addition, the following discussion should be read in conjunction with the audited consolidated financial statements and the related notes thereto included elsewhere in this report.

Year in Review

2014 Financial Highlights

Operating income grew to \$245 million compared to \$134 million in the prior-year period.

Pre-tax income grew to \$113 million compared to \$86 million in the prior-year period.

GAAP net income of \$69 million or \$1.10 per diluted share compared to \$52 million or \$0.98 per diluted share in the prior-year period.

Adjusted net income, reflecting economic fuel expense, of \$97 million or \$1.55 per diluted share compared to \$47 million or \$0.88 per share in the prior-year period.

Unrestricted cash and cash equivalents and short-term investments of \$524 million compared to \$423 million in the prior year period.

See "Non-GAAP Financial Measures" below for our reconciliation of non-GAAP measures.

Outlook

We expect our financial performance to improve in the first quarter of 2015 compared to the same quarter in 2014, primarily the result of lower fuel costs. We expect available seat miles during the first quarter of 2015 to increase by 3.5% to 5.5% from the same prior year period. However, with the continued strengthening of the U.S. dollar, decrease in fuel surcharges on our international routes, and increase in industry capacity on our North America routes, operating revenue per available seat mile is expected to decrease by 3.5% to 6.5% from the same prior year period. We expect operating cost per available seat mile, excluding fuel, for the first quarter of 2015 to increase by 1.5% to 4.5% from the same prior year period.

Table of Contents

Selected Consolidated Statistical Data

Below are the operating statistics we use to measure our operating performance.

	Year ended December 31,					
	2014		2013		2012	
	(in thousands, except as otherwise indicated)					
Scheduled Operations (c) :						
Revenue passengers flown	10,191		9,929		9,476	
Revenue passenger miles (RPM)	13,910,804		13,658,072		12,195,875	
Available seat miles (ASM)	17,062,264		16,761,761		14,660,030	
Passenger revenue per RPM (Yield)	14.70	¢	14.22	¢	14.49	¢
Passenger load factor (RPM/ASM)	81.5	%	81.5	%	83.2	%
Passenger revenue per ASM (PRASM)	11.99	¢	11.59	¢	12.05	¢
Total Operations (c) :						
Revenue passengers flown	10,195		9,936		9,484	
RPM	13,921,147		13,677,645		12,217,635	
ASM	17,073,630		16,785,827		14,687,472	
Operating revenue per ASM (RASM)	13.56	¢	12.84	¢	13.36	¢
Operating cost per ASM (CASM)	12.12	¢	12.05	¢	12.48	¢
CASM excluding aircraft fuel (b)	8.15	¢	7.88	¢	8.18	¢
Aircraft fuel expense per ASM (a)	3.97	¢	4.17	¢	4.30	¢
Revenue block hours operated	166,362		161,965		147,810	
Gallons of jet fuel consumed	230,199		226,214		199,465	
Average cost per gallon of jet fuel (actual) (a)	\$2.95		\$3.09		\$3.17	

(a) Includes applicable taxes and fees.

(b) Represents adjusted unit costs, a non-GAAP measure. We believe this is a useful measure because it better reflects our controllable costs. See "Non-GAAP Financial Measures" below for our reconciliation of non-GAAP measures.

(c) Includes the operations of our contract carrier under a capacity purchase agreement.

Operating Revenue

Our revenue is derived primarily from transporting passengers on our aircraft. Revenue is recognized when either the transportation is provided or when the related ticket expires unused. We measure capacity in terms of available seat miles, which represent the number of seats available for passengers multiplied by the number of miles the seats are flown. Yield, or the average amount one passenger pays to fly one mile, is calculated by dividing passenger revenue by RPMs. We strive to increase passenger revenue primarily by increasing our yield per flight or by filling a higher proportion of available seats, which produces higher operating revenue per available seat mile. Other revenue primarily consists of baggage fees, cargo revenue, ticket change and cancellation fees, incidental services revenue, sale of frequent flyer miles, inflight revenue, contract services and charter services revenue.

Operating revenue was \$2.31 billion, \$2.16 billion and \$1.96 billion for the years ended December 31, 2014, 2013 and 2012, respectively, driven primarily by an increase in passenger revenue.

Table of Contents

Passenger Revenue

Passenger revenue was \$2.05 billion, \$1.94 billion and \$1.77 billion for the years ended December 31, 2014, 2013 and 2012, respectively. Details of these changes are described in the table below:

	Year Ended December 31, 2014 as compared to December 31, 2013							Year Ended December 31, 2013 as compared to December 31, 2012							
	Change in scheduled passenger revenue (in millions)	Change in Yield		Change in RPM		Change in ASM		Change in scheduled passenger revenue (in millions)	Change in Yield		Change in RPM		Change in ASM		
North America	\$111.4	5.1	%	6.9	%	10.2	%	\$81.7	3.7	%	6.2	%	5.8	%	
Neighbor Island	35.7	6.0		1.8		3.7		33.6	5.9		1.9		(2.7)	
International	(44.8	)	(0.8	)	(6.9	)	(10.4	)	60.5	(11.6	)	26.1		33.0
Total scheduled	\$102.3	3.4	%	1.9	%	1.8	%	\$175.8	(1.9)	%	12.0	%	14.3	%
North America															

North America

North America revenue increased by \$111.4 million in 2014, as compared to 2013, due to an increase in the number of revenue passengers flown and the yield generated on these routes. The increase in the number of revenue passengers was driven by an increase in capacity provided by the addition of new Airbus A330-200 aircraft delivered during the year, the initiation of new routes from Honolulu to Oakland, California (January 2014) and from Maui to Los Angeles (May 2014) and San Francisco, California (November 2014), the reintroduction of the Honolulu to San Jose, California service (May 2014), and the introduction of our summer service from both Lihue, Kauai and Kona, Hawaii Island to Oakland and Los Angeles, California.

North America revenue increased by \$81.7 million in 2013, as compared to 2012, primarily due to an increase in the number of revenue passengers flown and the yield generated on these routes. The increase in the number of revenue passengers was driven by an increase in capacity provided by the addition of new Airbus A330-200 aircraft delivered during the year, and the effects of full-year results from routes initiated in 2012.

Neighbor Island

Neighbor Island revenue increased by \$35.7 million in 2014, as compared to 2013, due to our turboprop operations which launched in March 2014, the impact of improved traffic mix, and a slight increase in average fares.

Neighbor Island revenue increased by \$33.6 million, in 2013, as compared to 2012, primarily due to schedule adjustments and changes in pricing and revenue management practices, which allowed us to improve our yield and load factors on these routes.

International

International revenue decreased by \$44.8 million in 2014, as compared to 2013, due to a decrease in our international capacity which was a result of changes to our network during the year. These changes consisted of the suspension of our routes from Honolulu to Manila, Philippines (August 2013) and from Honolulu to Fukuoka, Japan (June 2014). Also, the continued strengthening of the U.S. Dollar resulted in decreased average fares from 2013.

International revenue increased by \$60.5 million in 2013, as compared to 2012, primarily due to an increase in the number of revenue passengers flown and offset by decreased yield. The increase in the number of revenue passengers was driven by an increase in capacity provided by the addition of new Airbus A330-200 aircraft delivered during the year and the initiation of routes from Honolulu to Auckland, New Zealand (March 2013), Sendai, Japan (June 2013) and Taipei, Taiwan (July 2013) and the effects of the full year results from routes initiated in 2012. We experienced a decrease in yield as a result of increased competition on our Japanese, Australia and New Zealand routes, and the continued strengthening of the U.S. Dollar in most currencies, primarily the Japanese Yen and Australian Dollar, which resulted in decreased average fares from the prior-year period.

Other Operating Revenue

Other operating revenue increased by \$56.8 million, or 26.7%, in 2014, as compared to 2013, due to \$29.1 million of ancillary revenue generated by increased sales of frequent flyer miles under our new co-branded credit card agreement and \$13.1 million of cargo revenue driven by an increase in the volume of cargo transported, as compared to the prior

year period. The increase in volume was the result of additional cargo capacity and improved revenue generation on our existing routes.

Table of Contents

Other operating revenue increased by \$17.7 million, or 9.1%, in 2013, as compared to 2012, due primarily to a \$16.2 million increase in cargo revenue, which was due to the additional cargo capacity provided by the Airbus A330-200 aircraft, the expansion of our network, and improved revenue generation on our existing routes.

Operating Expenses

The largest components of our operating expenses are aircraft fuel (including taxes and delivery), wages and benefits provided to our employees and aircraft maintenance materials and repairs. The price and availability of aircraft fuel is extremely volatile due to global economic and geopolitical factors that we can neither control nor accurately predict. Maintenance and repair costs are expensed when incurred unless covered by third-party power-by-the-hour services contracts, which are expensed as flight hours are incurred. Increases (decreases) in operating expenses are detailed below.

	Changes in operating expenses for the year ended December 31, 2014 as compared to December 31, 2013			Changes in operating expenses for the year ended December 31, 2013 as compared to December 31, 2012		
	\$	%		\$	%	
	(in thousands)			(in thousands)		
Operating expense:						
Aircraft fuel, including taxes and delivery	\$(20,549	) (2.9	)%	\$67,061	10.6	%
Wages and benefits	20,008	4.7		50,864	13.5	
Aircraft rent	(2,112	) (1.9	)	9,748	9.9	
Maintenance materials and repairs	22,232	10.9		19,835	10.8	
Aircraft and passenger servicing	2,145	1.8		16,810	16.2	
Commissions and other selling	(3,382	) (2.7	)	11,576	10.1	
Depreciation and amortization	13,324	16.0		(2,549	) (3.0)
Other rentals and landing fees	6,585	8.1		(4,306	) (5.0)
Other	9,378	5.4		20,124	13.2	
Total	\$47,629	2.4	%	\$189,163	10.3	%

Aircraft Fuel

Increases (decreases) in aircraft fuel expense are illustrated in the following table:

	Year Ended December 31,			% Change from Year Ended		
	2014	2013	2012	2013	2012	
	(in thousands, except per-gallon amounts)					
Aircraft fuel expense, including taxes and delivery	\$678,253	\$698,802	\$631,741	(2.9	)%	10.6
Fuel gallons consumed	230,199	226,214	199,465	1.8	%	13.4
Average fuel price per gallon, including taxes and delivery	\$2.95	\$3.09	\$3.17	(4.5	)%	(2.5

The decrease in fuel expense from 2013 to 2014 is primarily due to a decrease in the average fuel price per gallon, partially offset by increased fuel consumption due to the additional aircraft in the fleet (five additional A330-200 offset by the retirement of two B767-300 aircraft).

The increase in fuel expense from 2012 to 2013 is primarily due to an increase in fuel consumption due to the additional aircraft in the fleet (five additional A330-200 offset by the return/retirement of three B767-300 aircraft), but was partially offset by a decrease in the average fuel price per gallon.

We believe economic fuel expense is the best measure of the effect of fuel prices on our business as it most closely approximates the net cash outflow associated with the purchase of fuel for our operations in a period and is consistent with how management manages our business and assesses our operating performance. We define economic fuel expense as raw fuel expense plus (gains)/losses realized through actual cash payments to/(receipts from) hedge counterparties for fuel derivatives settled in the period inclusive of costs related to hedging premiums. Economic fuel

expense is calculated as follows:

27

Table of Contents

	Year Ended December 31,			% Change from Year			
	2014	2013	2012	2013	2012		
	(in thousands, except per-gallon amounts)						
Aircraft fuel expense, including taxes and delivery	\$678,253	\$698,802	\$631,741	(2.9	)%	10.6	%
Realized losses on settlement of fuel derivative contracts	20,365	14,018	7,372	45.3	%	90.2	%
Economic fuel expense	\$698,618	\$712,820	\$639,113	(2.0	)%	11.5	%
Fuel gallons consumed	230,199	226,214	199,465	1.8	%	13.4	%
Economic fuel costs per gallon	\$3.03	\$3.15	\$3.20	(3.8	)%	(1.6)%

See Item 7A, Quantitative and Qualitative Disclosures about Market Risk, for additional discussion of our jet fuel costs and related derivative program.

Wages and Benefits

Wages and benefits expense increased by \$20.0 million, or 4.7%, in 2014, as compared to 2013, due to a 2.5% increase in the number of employees as we continue to expand our operations with additional aircraft. Our profit-sharing expense also increased in 2014, which was driven by our improved financial performance in the current period.

Wages and benefits expense increased by \$50.9 million, or 13.5%, in 2013, as compared to 2012, primarily due to a 7.0% increase in the number of employees as we continue to expand our operations with additional aircraft and new routes, which also resulted in an \$8.4 million increase in health and fringe benefits provided to our employees.

Aircraft Rent

Aircraft rent expense decreased by \$2.1 million, or 1.9%, in 2014, as compared to 2013, primarily due to the full year effect of three Boeing 767-300 aircraft leases that ended in 2013, partially offset by full year effect of the addition of two Airbus A330-200 aircraft under operating leases.

Aircraft rent expense increased by \$9.7 million, or 9.9%, in 2013, as compared to 2012, primarily due to the addition of two Airbus A330-200 aircraft under operating leases (one in February 2013 and one in April 2013), partially offset by the return of three Boeing 767-300 aircraft at the end of their lease terms in April, August, and October 2013.

Maintenance Materials and Repairs

Maintenance materials and repairs expense increased by \$22.2 million, or 10.9%, in 2014, as compared to 2013, primarily due to the increase in the number and utilization of Airbus A330-200 aircraft in our fleet, partially offset by a decrease in the number and utilization of Boeing 767-300 aircraft in our fleet.

Maintenance materials and repairs expense increased by \$19.8 million, or 10.8%, in 2013, as compared to 2012, primarily due to the increase in the number and utilization of Airbus A330-200 aircraft in our fleet.

Depreciation and Amortization

Depreciation and amortization expense increased by \$13.3 million, or 16.0%, in 2014, as compared to 2013, primarily due to the increase in the number of owned aircraft (five A330-200 aircraft offset by the retirement of two B767-300 aircraft).

Depreciation and amortization expense decreased by \$2.5 million, or 3.0%, in 2013, as compared to 2012, primarily due to our frequent flyer marketing relationship intangible asset which was fully amortized as of December 31, 2012. This decrease was partially offset by the increase in the number of owned aircraft (three A330-200 aircraft).

Other Rentals and Landing Fees

Other rentals and landing fees expense increased by \$6.6 million, or 8.1%, in 2014, as compared to 2013, primarily due to increased rates and landing frequencies. Other rentals and landing fees expense decreased by \$4.3 million, or 5.0%, in 2013, as compared to 2012, primarily due to decreased rental and landing fee rates at our Honolulu operational facility.

Other Expense

Other expense increased by \$9.4 million, or 5.4%, in 2014, as compared to 2013, primarily due to costs incurred in connection with our turboprop operations that began in March 2014.

Table of Contents

Other expense increased by \$20.1 million, or 13.2%, in 2013, as compared to 2012, due to increased travel related expenses and increased expenses incurred on services outsourced to third-party vendors. Both increases were primarily the result of our continued expansion.

Nonoperating Expense

Net nonoperating expense increased by \$84.3 million in 2014, as compared to 2013, primarily due to our fuel hedge portfolio generating losses of \$63.5 million in the current period compared to losses of \$5.3 million in the prior year period. The strengthening of the US dollar resulted in foreign exchange loss of \$8.7 million in the current period compared to a loss of \$4.4 million in the prior period. The interest expense incurred in connection with the equipment notes under the EETC financing also contributed to the increase in nonoperating expense for the period.

Net nonoperating expense increased by \$3.7 million in 2013, as compared to 2012, primarily due to increased interest and amortization of debt discounts and issuance costs of \$6.9 million and \$19.0 million, respectively, due to the additional financings we entered into subsequent to December 31, 2013 and 2012.

Income Tax Expense

We recorded income tax expense of \$44.5 million, \$34.6 million and \$32.5 million during the years ended December 31, 2014, 2013, and 2012, respectively. In 2014, 2013 and 2012, we had an effective tax rate of 39.2%, 40.0% and 37.9%, respectively.

See Note 10 to the consolidated financial statements for further discussion.

Liquidity and Capital Resources

Our liquidity is dependent on the cash we generate from operating activities and our debt financing arrangements. As of December 31, 2014, we had \$264.1 million in cash and cash equivalents and \$260.1 million in short-term investments, representing an increase of \$100.8 million from December 31, 2013. As of December 31, 2014 and 2013, our restricted cash balance of \$6.6 million and \$21.0 million, respectively, consisted of cash held as collateral by entities that process our credit card transactions for advanced ticket sales and cash held as collateral for future interest payments owed in connection with the EETC financing which closed in May 2013.

We have been able to generate sufficient funds from our operations to meet our working capital requirements and typically finance our aircraft through secured debt and lease financings. At December 31, 2014, Hawaiian had \$1,049.6 million of debt and capital lease obligations, including \$156.3 million classified as a current liability in the Consolidated Balance Sheets. During the quarter ended December 31, 2014 a condition for conversion of the convertible notes was satisfied, which permits holders of the convertible notes to surrender their notes for conversion during the quarter ending March 31, 2015. As a result, the carrying value of \$66.5 million is reflected as a current liability in the Consolidated Balance Sheets.

In September 2014, we terminated our secured revolving credit facility with Wells Fargo Capital Finance LLC, which provided for a secured revolving credit facility of \$75 million. In November 2014, the Company entered into a credit agreement with Citigroup Global Markets Inc. providing for a secured revolving credit and letter of credit facility ("Revolving Credit Facility") in an amount of up to \$175 million. As of December 31, 2014 we had no outstanding borrowings under the Revolving Credit Facility.

Cash Flows

Net cash provided by operating activities was \$300.4 million, \$243.3 million and \$311.0 million in 2014, 2013 and 2012, respectively. The increase in 2014 was primarily due to increased net income before the expense associated with unrealized loss positions on our fuel derivative contracts, which do not immediately impact our cash flows from operating activities because the losses were unrealized as of December 31, 2014. The decrease in 2013 was primarily due to a smaller increase in our air traffic liability as of December 31, 2013 compared to December 31, 2012, primarily because we introduced fewer new routes in 2013 compared to 2012.

Net cash used in investing activities was \$686.8 million, \$327.8 million and \$290.7 million for 2014, 2013 and 2012, respectively. The increase in 2014 was due to the \$261.5 million in net purchases of investments, and the acquisition of five Airbus A330-200 aircraft during the year. The increase in 2013 was primarily due to increases in purchases of property and equipment of \$79.5 million, offset by decreases in pre-delivery deposits for upcoming aircraft and engine deliveries of \$28.0 million, and the proceeds received from the disposition of equipment of \$14.4 million.

Net cash provided by financing activities was \$227.1 million, \$102.0 million and \$81.4 million for 2014, 2013 and 2012, respectively. The increase in 2014 was due to the receipt of \$368.4 million in proceeds from the EETC financing, partially offset by the \$54.2 debt extinguishment in October 2014 and the \$15.1 convertible note repurchase. The increase in the net

Table of Contents

cash provided by financing activities in 2013 is primarily due to increases in long-term borrowings of \$110.1 million, offset by increases in cash repayments for debt and capital lease obligations of \$64.5 million and the collateral payment that was made in connection with the issuance of the EETCs of \$16.0 million.

Capital Commitments

In December 2014, we entered into a Purchase Agreement Amendment to convert our order for six firm A350XWB-800 aircraft with an additional six purchase rights into an order for six firm A330-800neo aircraft with an additional six purchase rights. The Purchase Agreement Amendment provides for delivery, subject to certain flexibility rights, of six A330-800neo aircraft starting in 2019. These fuel efficient, long-range aircraft will complement our existing fleet of wide-body, twin aisle aircraft used for long-haul flying on our North America and International routes. In December 2014, we entered into a General Terms Agreement with Rolls-Royce for the supply of products and services in support of the Trent 7000 engines to be installed on the Airbus A330-800neo aircraft. The General Terms Agreement includes the terms for the supply of spare engines, product warranties and performance guarantees.

As of December 31, 2014, we had the following capital commitments consisting of firm aircraft and engine orders and purchase rights:

Aircraft Type	Firm Orders	Purchase Rights	Expected Delivery Dates
A330-200 aircraft	3	3	In 2015
A330-800neo aircraft	6	6	Between 2019 and 2021
A321neo aircraft	16	9	Between 2017 and 2020
Rolls-Royce spare engines:			
A330-800neo spare engines	2	—	Between 2019 and 2020
Pratt & Whitney spare engines:			
A321neo spare engines	2	—	Between 2017 and 2018

Committed expenditures for these aircraft, engines and related flight equipment approximates \$203 million in 2015, \$67 million in 2016, \$234 million in 2017, \$411 million in 2018, \$497 million in 2019 and \$435 million thereafter. For 2015, we expect our other non-aircraft related capital expenditures, which include software, improvements, ramp and maintenance equipment to total approximately \$45 million to \$55 million.

In order to complete the purchase of these aircraft and fund related costs, we must secure acceptable financing. We have backstop financing available from aircraft and engine manufacturers, subject to certain customary conditions. Financing will be necessary to satisfy the Company's capital commitments for its firm order aircraft and other related capital expenditures. The Company can provide no assurance that any financing not already in place for aircraft and spare engine deliveries will be available to the Company on acceptable terms when necessary or at all.

See Note 13 for further discussion of the purchase assignment and leaseback transactions for our remaining three A330-200 aircraft deliveries in 2015.

Covenants under our Financing Arrangements

The terms of certain of our financing agreements restrict our ability to, among other things, incur additional indebtedness, issue preferred stock or pay dividends. These agreements also require us to meet certain financial covenants. These financial tests include maintaining a minimum amount of unrestricted cash and achieving certain levels of fixed charge coverage. As of December 31, 2014 we were in compliance with these covenants.

Under our bank-issued credit card processing agreements, certain proceeds from advance ticket sales may be held back to serve as collateral to cover any possible chargebacks or other disputed charges that may occur. These holdbacks, which are included in restricted cash in our Consolidated Balance Sheets, totaled \$5.0 million as of December 31, 2014 and 2013.

Pension and Other Postretirement Benefit Plan Funding

As of December 31, 2014, the excess of the projected benefit obligations over the fair value of plan assets was approximately \$410.7 million. We contributed \$8.9 million, \$18.7 million and \$19.4 million, to our defined benefit pension plans and disability plan during 2014, 2013 and 2012, respectively. Future funding requirements for our defined benefit and other postretirement plans are dependent upon many factors such as interest rates, funded status, applicable regulatory requirements

Table of Contents

and the level and timing of asset returns. In 2015, our minimum required contribution to our defined benefit pension plans and disability plan is \$5.1 million.

Income Tax Net Operating Loss Carryforwards

We have net operating loss (NOLs) carryforwards for federal and state income tax purposes of \$365.8 million as of December 31, 2014. The tax benefit of the NOLs carryforwards as of December 31, 2014 is \$122.1 million, substantially all of which will not begin to expire until 2031. Although we expect to generate taxable income in future years, we cannot be assured our NOLs will be sufficient to offset our tax liability. We believe we will have sufficient working capital to pay income taxes as they become due.

Off-Balance Sheet Arrangements

An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving an unconsolidated entity under which a company has (i) made guarantees, (ii) retained a contingent interest in transferred assets, (iii) an obligation under derivative instruments classified as equity or (iv) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the company, or that engages in leasing, hedging or research and development arrangements with the company. We have no arrangements of the types described in the first three categories that we believe may have a current or future material effect on our financial condition, liquidity or results of operations. We do have obligations arising out of variable interests in unconsolidated entities related to certain aircraft leases. To the extent our leases and related guarantees are with a separate legal entity other than a governmental entity, we are not the primary beneficiary because the lease terms are consistent with market terms at the inception of the lease, and the lease does not include a residual value guarantee, fixed price purchase option or similar feature.

Contractual Obligations

Our estimated contractual obligations as of December 31, 2014 are summarized in the following table:

Contractual Obligations	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Debt and capital lease obligations(1)(2)	\$1,332,613	\$214,241	\$271,082	\$271,270	\$576,020
Operating leases—aircraft and related equipment(3)	605,214	102,972	168,248	162,332	171,662
Operating leases—non-aircraft	46,261	5,228	9,508	8,190	23,335
Purchase commitments—Capital(4)	1,848,052	203,156	301,631	908,424	434,841
Purchase commitments—Operating(5)	547,353	70,003	115,625	97,688	264,037
Projected employee benefit contributions(6)	31,666	5,122	26,544	—	—
Total contractual obligations	\$4,411,159	\$600,722	\$892,638	\$1,447,904	\$1,469,895

Amounts represent contractual amounts due, including interest. Interest on variable-rate debt was estimated using (1) rates in effect as of December 31, 2014. Amount reflects capital lease obligations for one Airbus A330-200 aircraft, two Boeing 717 aircraft and one A330 flight simulator.

(2) During the quarter ended December 31, 2014 a condition for conversion of the Convertible Note was satisfied, which permits holders of the Convertible Notes to surrender their notes for conversion in the first quarter of 2015. Therefore, the principal balance is classified accordingly in the above table. However, the 5% interest-only, semiannual payments are excluded from the table.

(3) Amounts reflect leases for six Airbus A330-200 aircraft, six Boeing 767 aircraft, one Boeing 717 aircraft and aircraft-related equipment as of December 31, 2014.

Amounts include our firm commitments for aircraft and aircraft related equipment. See Note 13 for further (4) discussion over the purchase assignment and leaseback transactions over our remaining three A330-200 aircraft deliveries in 2015.

(5) Amounts include commitments for services provided by third-parties for aircraft maintenance for our Airbus fleet, accounting, IT and reservations. Total contractual obligations do not include long-term contracts where the commitment is variable in nature (with no minimum guarantee), such as aircraft maintenance deposits due under operating leases and fees due under certain other agreements such as aircraft maintenance power-by-the-hour, computer reservation systems and credit card processing agreements, or when the agreements contain short-term cancellation provisions.

Table of Contents

Amounts include our estimated contributions to our pension plans (based on actuarially determined estimates) and our pilots' disability plan. Amounts are subject to change based on numerous factors, including interest rate levels, the amount and timing of asset returns and the impact of future legislation. We are currently unable to estimate the projected contributions beyond 2017.

Non-GAAP Financial Measures

We believe the disclosure of non-GAAP financial measures is useful information to readers of our financial statements because:

- We believe it is the basis by which we are evaluated by industry analysts and investors;
- These measures are often used in management and board of directors decision making analysis;
- It improves a reader's ability to compare our results to those of other airlines;
- and

• It is consistent with how we present information in our quarterly earnings press releases.

Adjusted net income reflecting economic fuel expense and excluding loss on extinguishment of debt

See table below for reconciliation between GAAP consolidated net income to adjusted consolidated net income, including per share amounts (in thousands unless otherwise indicated). The adjustments are described below:

Unrealized (gains) losses on fuel derivative contracts, net of tax, are based on market prices for open contracts as of the end of the reporting period. As the cost and availability of fuel is volatile, excluding the impact of fuel derivative adjustments allow investors to better analyze our operational performance and compare our results to other airlines in the periods presented below.

Loss on extinguishment of debt, net of tax, is excluded to allow investors to better analyze our core operational performance and compare our results to other airlines in the periods presented below.

	Year Ended December 31,					
	2014	Diluted Net	2013	Diluted Net	2012	Diluted Net
	Net Income	Income Per Share	Net Income	Income Per Share	Net Income	Income Per Share
As reported—GAAP	\$68,926	\$ 1.10	\$51,854	\$0.98	\$53,237	\$1.01
Add: unrealized (gains) losses on fuel derivative contracts, net of tax	25,864	0.41	(5,210)	(0.10)	2,375	0.05
Add: loss on extinguishment of debt, net of tax	2,331	0.04	—	—	—	—
Reflecting economic fuel expense and excluding loss on extinguishment of debt	\$97,121	\$ 1.55	\$46,644	\$0.88	\$55,612	\$ 1.06

Operating Costs per Available Seat Mile (CASM)

We have listed separately in the table below our fuel costs per ASM and our non-GAAP unit costs, excluding fuel.

These amounts are included in CASM, but for internal purposes we consistently use unit cost metrics that exclude fuel and non-recurring items (if applicable) to measure and monitor our costs.

CASM and CASM, excluding fuel, are summarized in the table below:

	Year Ended December 31,					
	2014	2013	2012			
GAAP operating expenses	\$2,069,747	\$2,022,118	\$1,832,955			
Less: aircraft fuel, including taxes and delivery	(678,253)	(698,802)	(631,741)			
Adjusted operating expenses—excluding aircraft fuel	\$1,391,494	\$1,323,316	\$1,201,214			
Available Seat Miles	17,073,630	16,785,827	14,687,472			
CASM—GAAP	12.12	¢ 12.05	¢ 12.48	¢		
Less: aircraft fuel	(3.97)	(4.17)	(4.30)			
CASM—excluding aircraft fuel	8.15	¢ 7.88	¢ 8.18	¢		

Table of Contents

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon financial statements that have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amount of assets and liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities as of the date of the financial statements.

Critical accounting policies and estimates are defined as those accounting policies and accounting estimates that are reflective of significant judgments and uncertainties, and that potentially result in materially different results under different assumptions and conditions.

Frequent Flyer Accounting

HawaiianMiles, Hawaiian's frequent flyer travel award program, provides a variety of awards to program members based on accumulated mileage. We utilize the incremental cost method of accounting for free travel awards earned in connection with the purchase of passenger tickets. This method utilizes a number of estimates including the incremental cost per mile and breakage. We record a liability for the estimated incremental cost of providing travel awards that are expected to be redeemed on Hawaiian or the contractual rate of expected redemption on other airlines. We estimate the incremental cost of travel awards based on periodic studies of actual costs and apply these cost estimates to all issued miles, less an appropriate breakage factor for estimated miles that will not be redeemed. Incremental costs include the cost of fuel, meals and beverages, insurance and certain other passenger traffic-related costs, but does not include any costs for aircraft ownership and maintenance. The breakage factor is estimated based on an analysis of historical expirations.

We also sell mileage credits to companies participating in our frequent flyer program. These sales are accounted for as multiple-element arrangements, with one element representing the transportation that will ultimately be provided when the mileage credits are redeemed and the other elements consisting of marketing related activities that we conduct with the participating company.

In 2013, Hawaiian entered into a co-branded credit card agreement, which provides for the sale of frequent flyer miles to Barclays Bank Delaware (Barclays) which began in 2014. The agreement is a new multiple element arrangement subject to Accounting Standards Update 2009-13, Multiple Deliverable Revenue Arrangements — A consensus of the FASB Emerging Issues Task Force (ASU 2009-13), which is effective for new and materially modified revenue arrangements entered into by the Company after January 1, 2011. ASU 2009-13 requires the allocation of the overall consideration received to each deliverable using the estimated selling price. The objective of using estimated selling price based methodology is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis.

The following four deliverables or elements were identified in the agreement: (i) travel miles; (ii) use of the Hawaiian brand and access to member lists; (iii) advertising elements; and (iv) other airline benefits including checked baggage services and travel discounts. The Company determined the relative fair value of each element by estimating the selling prices of the deliverables by considering discounted cash flows using multiple inputs and assumptions, including: (1) the expected number of miles to be awarded and redeemed; (2) the estimated weighted average equivalent ticket value, adjusted by a fulfillment discount; (3) the estimated total annual cardholder spend; (4) an estimated royalty rate for the Hawaiian portfolio; and (5) the expected use of each of the airline benefits. The overall consideration received is allocated to the deliverables based on their relative selling prices. The transportation element is deferred and recognized as passenger revenue over the period when the transportation is expected to be provided (24 months). The other elements will generally be recognized as other revenue when earned.

In the previous co-branded credit card agreement, the estimated fair value of the transportation element was deferred and recognized as passenger revenue over the period the transportation was expected to be provided. Amounts received in excess of the transportation's estimated fair value were recognized immediately as other revenue.

Under the programs of certain participating companies, credits are accumulated in accounts maintained by the participating company, then transferred into a member's HawaiianMiles account for immediate redemption of free travel awards. For those transactions, revenue is recognized over the period during which the mileage is projected to be used for travel (five months).

On an annual basis, we review the deferral period and deferral rate for mileage credits sold to participating companies (except for miles sold under our co-branded credit card agreement), as well as the breakage rate assumption for free travel awards earned in connection with the purchase of passenger tickets. The cost components of the incremental cost assumption are reviewed on a quarterly basis.

Table of Contents

Pension and Other Postretirement and Postemployment Benefits

The calculation of pension and other postretirement and postemployment benefit expenses and its corresponding liabilities require the use of significant assumptions, including the assumed discount rate, the expected long-term rate of return on plan assets, expected mortality rates of the plan participants, and the expected health care cost trend rate. Changes in these assumptions will impact the expense and liability amounts, and future actual experience may differ from these assumptions. The significant assumptions as of December 31, 2014 are as follows:

Pension:

Discount rate to determine projected benefit obligation	4.19 %
Expected return on plan assets	6.92 % +

Postretirement:

Discount rate to determine projected benefit obligation	4.30 %
Expected return on plan assets	N/A
Expected health care cost trend rate:	
Initial	7.50 %
Ultimate	4.75 %
Years to reach ultimate trend rate	4

Disability:

Discount rate to determine projected benefit obligation	4.16 %
Expected return on plan assets	5.92 % +

N/A Not Applicable

+ Expected return on plan assets used to determine the net periodic benefit expense for 2015 is 6.89% for the pension plans and 5.40% for the disability plan.

The expected long-term rate of return assumption is developed by evaluating input from the trustee managing the plans' assets, including the trustee's review of asset class return expectations by several consultants and economists, as well as long-term inflation assumptions. Our expected long-term rate of return on plan assets is based on a target allocation of assets, which is based on our goal of earning the highest rate of return while maintaining risk at acceptable levels. The plan strives to sufficiently diversify assets so that adverse or unexpected results from one security class will not have an unduly detrimental impact on the entire portfolio. We believe that our long-term asset allocation on average will approximate the targeted allocation. We periodically review our actual asset allocation and rebalance the pension plan's investments to our targeted allocation when considered appropriate. Pension expense increases as the expected rate of return on plan assets decreases. Lowering the expected long-term rate of return will have the following effects on our estimated 2015 pension and disability benefit expense:

	100 Basis Point Decrease (in millions)
Increase in estimated 2015 pension expense	\$2.6
Increase in estimated 2015 disability benefit expense	0.2

We determine the appropriate discount rate for each of our plans based on current rates on high quality corporate bonds that would generate the cash flow necessary to pay plan benefits when due. The pension and other postretirement benefit liabilities and future expense both increase as the discount rate is reduced. Lowering the discount rate would have the following effects:

	100 Basis Point Decrease (in millions)
Increase in pension obligation as of December 31, 2014	\$66.7
Increase in other postretirement benefit obligation as of December 31, 2014	46.1
Increase in estimated 2015 pension expense	3.0
Increase in estimated 2015 other postretirement benefit expense	7.0

Table of Contents

The health care cost trend rate is based upon an evaluation of the Company's historical trends and experience taking into account current and expected market conditions. Changes in the assumed health care cost trend rate would have the following annual effects:

	100 Basis Point Increase (in millions)
Increase in other postretirement benefit obligation as of December 31, 2014	\$43.2
Increase in estimated 2015 other postretirement benefit expense	8.9
	100 Basis Point Decrease (in millions)
Decrease in other postretirement benefit obligation as of December 31, 2014	\$33.2
Decrease in estimated 2015 other postretirement benefit expense	6.6

In 2014, the Society of Actuaries released reports that included both new mortality tables and an updated mortality improvement scale - the RP-2014 mortality table and MP-2014 improvement scale. The updated mortality tables and improvement scale provide more current data about mortality rates of private pension plan participants. We adopted the RP-2014 mortality table and the MP-2014 mortality improvement scale to calculate our pension and other postretirement benefit obligations as of December 31, 2014. This mortality information reflects longer life expectancies and anticipated rates of improvement in life expectancy compared to previous mortality assumptions, which had the following effects:

	(in millions)
Increase in pension obligation as of December 31, 2014	\$29.8
Increase in other postretirement benefit obligation as of December 31, 2014	20.8
Aircraft Maintenance and Repair Costs	

On a quarterly basis we complete a forecast of maintenance costs for the next scheduled event on applicable leased aircraft and compare these estimates to our forecasted nonrefundable deposits to identify costs not expected to be recoverable. Any costs not expected to be recoverable are considered to be not substantially and contractually related to maintenance of the leased asset. Therefore, we bifurcate and expense the proportionate share that is estimated to not be recoverable from existing and future nonrefundable deposits. In determining whether it is probable that maintenance deposits will be used to fund the cost of the maintenance events, we conduct the following analysis:

❖ We evaluate the aircraft's condition, including the airframe, the engines, the auxiliary power unit and the landing gear.

❖ We then project future usage of the aircraft during the term of the lease based on our business and fleet plan.

We estimate the cost of performing the next scheduled maintenance event. These estimates are based on the experience of our maintenance personnel and available industry data, including historical fleet operating statistic reports published by the aircraft and engine manufacturers.

We compare the forecasted maintenance deposits to be paid at the time of the next scheduled maintenance event to the estimated cost of the next scheduled maintenance event. Those costs not expected to be recoverable are considered to be not substantially and contractually related to maintenance of the leased asset.

❖ We prospectively account for any changes in estimates.

Our assessment of the recoverability of our maintenance deposits is subject to change in the event that key estimates and assumptions change over time. Those key estimates and assumptions include our fleet plan and the projected total cost and, to a lesser extent, anticipated timing of the major maintenance activities covered by the maintenance reserves.

Based on current market conditions, we believe that further significant changes in our fleet plan are unlikely.

Furthermore, based on historical trends and future projections, including those published by the manufacturers of our aircraft and engines, we believe it is unlikely that future maintenance costs for our aircraft will decline to such an extent that the maintenance deposits currently recorded on our Consolidated Balance Sheets would not be used to fund the cost of future maintenance events and, therefore, not be recoverable.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are subject to certain market risks, including commodity price risk (i.e. jet fuel prices), interest rate risk and foreign currency risk. We have market-sensitive instruments in the form of variable-rate debt and financial derivatives used to offset

Table of Contents

Hawaiian's exposure to jet fuel price increases, and financial hedge instruments used to hedge Hawaiian's exposure to variable interest rate risk and foreign currency exchange risk. The adverse effects of potential changes in these market risks are discussed below.

The sensitivity analyses presented do not consider the effects that such adverse changes may have on overall economic activity nor do they consider additional actions we might undertake to mitigate our exposure to such changes. Actual results may differ.

Aircraft Fuel Costs

Aircraft fuel costs constitute a significant portion of our operating expense. Fuel costs represented 33% of our operating expenses for the year ended December 31, 2014. Approximately 69% of our fuel is based on Singapore jet fuel prices, 30% is based on U.S. West Coast jet fuel prices and 1% on other jet fuel prices. Based on gallons expected to be consumed in 2015, for every one cent increase in the cost of a gallon of jet fuel, our fuel expense would increase by approximately \$2.4 million, excluding the results of our fuel hedge program.

We periodically enter into derivative financial instruments to manage our exposure to changes in the price of jet fuel. During 2014, our fuel hedge program primarily consisted of heating oil puts and swaps, and Brent crude oil call options and collars (combinations of purchased call options and sold put options of crude oil). Call option contracts provide for a settlement in favor of the holder in the event the prices exceed a predetermined contractual level during a particular time period. Collars provide for a settlement in our favor in the event prices for the underlying commodity exceed a predetermined contractual level (the call option strike price) during a particular time period. Put option contracts provide for a settlement in favor of the holder in the event the prices fall below a predetermined contractual level during a particular time period. Swaps provide for a settlement in our favor in the event the prices exceed a predetermined contractual level and are unfavorable in the event prices fall below a predetermined contractual level. As of December 31, 2014, we hedged approximately 39% of our projected fuel requirements for 2015 with heating oil puts and swaps. As of December 31, 2014, the fair value of these fuel derivative agreements reflected a net liability of \$38.8 million that is recorded in other accrued liabilities in the Consolidated Balance Sheets.

We expect to continue our program of offsetting some of our exposure to future changes in the price of jet fuel with a combination of fixed forward pricing contracts, swaps, calls, collars and other option-based structures.

We do not hold or issue derivative financial instruments for trading purposes.

Interest Rates

Our results of operations are affected by fluctuations in interest rates due to our variable-rate debt and interest income earned on our cash deposits. Our variable-rate debt agreements include the Revolving Credit Facility and secured loan agreements, the terms of which are discussed in Note 8 to our consolidated financial statements.

At December 31, 2014, we had \$87.3 million of variable-rate debt indexed to the following interest rate:

Index	Rate
One-month LIBOR	0.1635 %

Changes in market interest rates have a direct and corresponding effect on our pre-tax earnings and cash flows associated with our variable-rate debt and interest-bearing cash accounts. Based on the balances of our cash and cash equivalents, restricted cash, short-term investments, and variable-rate debt as of December 31, 2014, a change in interest rates is unlikely to have a material impact on our results of operations.

At December 31, 2014, we had \$962.4 million of fixed-rate debt including aircraft capital lease obligations, a convertible note, facility agreements for aircraft purchases, and the outstanding equipment notes related to the EETC financing. Market risk for fixed-rate long-term debt is estimated as the potential increase in fair value resulting from a hypothetical 10% decrease in interest rates, and amounted to approximately \$19.5 million as of December 31, 2014. In April 2013, we issued variable-rate debt to finance a portion of the purchase price of another Airbus A330-200 aircraft. The interest rate associated with this debt is based on a market index rate that resets every three months. To limit our exposure to significant increases in the applicable market index rates for this debt, we entered into a forward starting interest swap agreement, which had an immaterial impact on our financial statements.

Foreign Currency

We generate revenues and incur expenses in foreign currencies. Changes in foreign currency exchange rates impact our results of operations through changes in the dollar value of foreign currency-denominated operating revenues and

expenses. Our most

36

Table of Contents

significant foreign currency exposures are the Japanese Yen and Australian Dollar. Based on expected 2015 revenues and expenses denominated in Japanese Yen and Australian Dollars, a 10% strengthening in value of the U.S. dollar, relative to the Japanese Yen and Australian Dollar, would result in a decrease in operating income of approximately \$12.6 million and \$9.8 million, respectively, which excludes the offset of the hedges discussed below. This potential impact to the results of our operation is driven by the inherent nature of our international operations, which requires us to accept a large volume of sales transactions denominated in foreign currencies while few expense transactions are settled in foreign currencies. This disparity is the primary factor in our exposure to foreign currency exchange rates. As of December 31, 2014, the fair value of our foreign currency forwards reflected a net asset of \$15.1 million that is recorded in prepaid expenses and other, and \$4.6 million recorded in long-term prepayments and other reflected in the Consolidated Balance Sheets.

Table of Contents

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.
INDEX TO FINANCIAL STATEMENTS

	Page
Hawaiian Holdings, Inc.	
<u>Report of Independent Registered Public Accounting Firm</u>	<u>39</u>
<u>Consolidated Statements of Operations for the years ended December 31, 2014, 2013 and 2012</u>	<u>40</u>
<u>Consolidated Statements of Comprehensive Income for the years ended December 31, 2014, 2013 and 2012</u>	<u>41</u>
<u>Consolidated Balance Sheets as of December 31, 2014 and 2013</u>	<u>42</u>
<u>Consolidated Statements of Shareholders' Equity for the years ended December 31, 2014, 2013 and 2012</u>	<u>43</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012</u>	<u>44</u>
<u>Notes to Consolidated Financial Statements</u>	<u>45</u>

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Hawaiian Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Hawaiian Holdings, Inc. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Hawaiian Holdings, Inc. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Hawaiian Holdings, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 9, 2015, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Honolulu, Hawai'i

February 9, 2015

Table of Contents

Hawaiian Holdings, Inc.
Consolidated Statements of Operations
For the Years ended December 31, 2014, 2013 and 2012

	2014	2013	2012
	(in thousands, except per share data)		
Operating Revenue:			
Passenger	\$2,045,052	\$1,942,829	\$1,767,041
Other	269,827	213,036	195,312
Total	2,314,879	2,155,865	1,962,353
Operating Expenses:			
Aircraft fuel, including taxes and delivery	678,253	698,802	631,741
Wages and benefits	447,446	427,438	376,574
Aircraft rent	106,422	108,534	98,786
Maintenance materials and repairs	225,619	203,387	183,552
Aircraft and passenger servicing	122,780	120,635	103,825
Commissions and other selling	122,518	125,900	114,324
Depreciation and amortization	96,374	83,050	85,599
Other rentals and landing fees	87,902	81,317	85,623
Other	182,433	173,055	152,931
Total	2,069,747	2,022,118	1,832,955
Operating Income	245,132	133,747	129,398
Nonoperating Income (Expense):			
Interest expense and amortization of debt discounts and issuance costs	(64,240)	) (50,453	) (43,522)
Interest income	1,684	639	580
Capitalized interest	8,024	12,625	10,524
Losses on fuel derivatives	(63,471)	) (5,334	) (11,330)
Other, net	(13,682)	) (4,814	) 136
Total	(131,685)	) (47,337	) (43,612)
Income Before Income Taxes	113,447	86,410	85,786
Income tax expense	44,521	34,556	32,549
Net Income	\$68,926	\$51,854	\$53,237
Net Income Per Common Stock Share:			
Basic	\$1.29	\$1.00	\$1.04
Diluted	\$1.10	\$0.98	\$1.01
Weighted Average Number of Common Stock Shares Outstanding:			
Basic	53,591	52,099	51,314
Diluted	62,822	53,155	52,535
See accompanying Notes to Consolidated Financial Statements.			

Table of Contents

Hawaiian Holdings, Inc.

Consolidated Statements of Comprehensive Income (Loss)

For the Years ended December 31, 2014, 2013 and 2012

	Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Net Income	\$68,926	\$51,854	\$53,237
Other comprehensive income (loss), net:			
Net change related to employee benefit plans, net of tax benefit of \$50,968 for 2014, tax expense of \$38,886 for 2013 and tax benefit of \$9,224 for 2012	(83,461)	61,995	(11,714)
Net change in derivative instruments, net of tax expense of \$2,188 and \$5,696 for 2014 and 2013, respectively	3,589	9,373	—
Net change in available-for-sale investments, net of tax benefit of \$154 for 2014	(254)	—	—
Total other comprehensive income (loss)	(80,126)	71,368	(11,714)
Total Comprehensive Income (Loss)	\$(11,200)	\$123,222	\$41,523
See accompanying Notes to Consolidated Financial Statements.			

Table of Contents

Hawaiian Holdings, Inc.
Consolidated Balance Sheets
December 31, 2014 and 2013

	2014	2013
	(in thousands, except share data)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$264,087	\$423,384
Restricted cash	6,566	19,434
Short-term investments	260,121	—
Accounts receivable, net	80,737	74,245
Spare parts and supplies, net	18,011	19,767
Deferred tax assets, net	21,943	17,325
Prepaid expenses and other	53,382	51,652
Total	704,847	605,807
Property and equipment, net		
Flight equipment	1,741,444	1,299,861
Pre-delivery deposits on flight equipment	97,685	188,738
Other property and equipment	201,871	172,835
	2,041,000	1,661,434
Less accumulated depreciation and amortization	(367,507)	(327,102)
Total	1,673,493	1,334,332
Other Assets:		
Long-term prepayments and other	96,225	91,953
Restricted cash	—	1,566
Intangible assets, net	21,300	23,940
Goodwill	106,663	106,663
Total Assets	\$2,602,528	\$2,164,261
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$97,260	\$89,787
Air traffic liability	424,336	409,086
Other accrued liabilities	141,919	97,571
Current maturities of long-term debt, less discount, and capital lease obligations	156,349	62,187
Total	819,864	658,631
Long-Term Debt, less discount, and Capital Lease Obligations	893,288	744,286
Other Liabilities and Deferred Credits:		
Accumulated pension and other postretirement benefit obligations	407,864	264,106
Other liabilities and deferred credits	72,650	59,424
Deferred tax liability, net	41,629	40,950
Total	522,143	364,480
Commitments and Contingent Liabilities		
Shareholders' Equity:		
Special preferred stock, \$0.01 par value per share, three shares issued and outstanding at December 31, 2014 and 2013	—	—
Common stock, \$0.01 par value per share, 54,455,568 and 52,423,085 shares issued and outstanding as of December 31, 2014 and 2013, respectively.	545	524
Capital in excess of par value	251,432	269,884

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Accumulated income	238,068	169,142
Accumulated other comprehensive loss, net	(122,812)	(42,686)
Total	367,233	396,864
Total Liabilities and Shareholders' Equity	\$2,602,528	\$2,164,261
See accompanying Notes to Consolidated Financial Statements.		

Table of Contents

Hawaiian Holdings, Inc.

Consolidated Statements of Shareholders' Equity

For the Years ended December 31, 2014, 2013 and 2012

	Common Stock(*)	Special Preferred Stock(**)	Capital In Excess of Par Value	Accumulated Income	Accumulated Other Comprehensive Loss	Total
Balance at December 31, 2011	\$507	\$—	\$260,658	\$ 64,051	\$ (102,340)	\$222,876
Net Income	—	—	—	53,237	—	53,237
Other comprehensive loss					(11,714)	(11,714)
Issuance of 710,361 shares of common stock related to stock awards	7	—	763	—	—	770
Share-based compensation expense	—	—	3,433	—	—	3,433
Balance at December 31, 2012	\$514	\$—	\$264,854	\$ 117,288	\$ (114,054)	\$268,602
Net Income	—	—	—	51,854	—	51,854
Other comprehensive income					71,368	71,368
Issuance of 983,151 shares of common stock related to stock awards	10	—	979	—	—	989
Share-based compensation expense	—	—	4,573	—	—	4,573
Excess tax benefits from stock issuance	—	—	(522)	—	—	(522)
Balance at December 31, 2013	\$524	\$—	\$269,884	\$ 169,142	\$ (42,686)	\$396,864
Net Income	—	—	—	68,926	—	68,926
Other comprehensive loss					(80,126)	(80,126)
Issuance of 2,032,486 shares of common stock related to stock awards	21	—	3,729	—	—	3,750
Share-based compensation expense	—	—	5,056	—	—	5,056
Excess tax benefits from stock issuance	—	—	387	—	—	387
Reacquisition of equity component of Convertible Notes	—	—	(27,624)	—	—	(27,624)
Balance at December 31, 2014	\$545	\$—	\$251,432	\$ 238,068	\$ (122,812)	\$367,233

(*) Common Stock—\$0.01 par value; 118,000,000 authorized as of December 31, 2014 and 2013.

(**) Special Preferred Stock—\$0.01 par value; 2,000,000 shares authorized as of December 31, 2014 and 2013

See accompanying Notes to Consolidated Financial Statements.

Table of Contents

Hawaiian Holdings, Inc.

Consolidated Statements of Cash Flows

For the Years ended December 31, 2014, 2013 and 2012

	2014 (in thousands)	2013	2012
Cash Flows From Operating Activities:			
Net Income	\$68,926	\$51,854	\$53,237
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of intangible assets	2,640	2,640	18,788
Depreciation and amortization of property and equipment	94,969	81,645	69,521
Deferred income taxes, net	43,084	34,106	31,333
Stock compensation	6,680	4,573	3,516
Loss on extinguishment of debt	2,617	—	—
Amortization of debt discounts and issuance costs	9,277	6,949	5,599
Pension and postretirement benefit cost, net	9,535	12,543	11,627
Other, net	(5,803)	) (9,986	) (10,039)
Changes in operating assets and liabilities:			
Restricted cash	—	—	25,930
Accounts receivable, net	(5,803	) 1,318	12,698
Spare parts and supplies, net	(1,436	) 5,020	(6,660)
Prepaid expenses and other current assets	2,493	(6,391	) (2,373)
Accounts payable	7,473	7,703	1,447
Air traffic liability	15,250	20,440	85,264
Other accrued liabilities	45,353	10,765	7,459
Other assets and liabilities, net	5,175	20,091	3,670
Net cash provided by operating activities	300,430	243,270	311,017
Cash Flows From Investing Activities:			
Additions to property and equipment, including pre-delivery deposits, net	(442,229	) (342,228	) (290,699)
Net proceeds from disposition of equipment	16,953	14,414	—
Purchases of investments	(458,592) —	—
Sales of investments	197,046	—	—
Net cash used in investing activities	(686,822	) (327,814	) (290,699)
Cash Flows From Financing Activities:			
Proceeds from exercise of stock options	7,001	2,376	1,488
Long-term borrowings	368,430	243,110	133,000
Repayments of long-term debt and capital lease obligations	(158,000	) (113,592	) (49,129)
Debt issuance costs	(1,519	) (13,846	) (3,828)
Change in restricted cash	14,434	(16,000) —
Other	(3,251	) —	(84)
Net cash provided by financing activities	227,095	102,048	81,447
Net increase (decrease) in cash and cash equivalents	(159,297	) 17,504	101,765
Cash and cash equivalents—Beginning of Year	423,384	405,880	304,115
Cash and cash equivalents—End of Year	\$264,087	\$423,384	\$405,880

See accompanying Notes to Consolidated Financial Statements.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Basis of Presentation

Hawaiian Holdings, Inc. (the "Company," "Holdings," "we," "us" and "our") and its direct wholly-owned subsidiary, Hawaiian Airlines, Inc. (Hawaiian), are incorporated in the State of Delaware. The Company's primary asset is its sole ownership of all issued and outstanding shares of common stock of Hawaiian.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, including its principal subsidiary, Hawaiian, through which the Company conducts substantially all of its operations. All significant intercompany balances and transactions have been eliminated upon consolidation.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with an original maturity of three months or less at the date of purchase.

Restricted Cash

Restricted cash consists of cash held as collateral for future interest payments owed in connection with the Enhanced Equipment Trust Certificates (EETC) financing which closed in May 2013 and cash held as collateral by institutions that process our credit card transactions for advanced ticket sales.

Spare Parts and Supplies

Spare parts and supplies are valued at average cost, and primarily consist of expendable parts for flight equipment and other supplies. An allowance for obsolescence of expendable parts is provided over the estimated useful lives of the related aircraft and engines for spare parts expected to be on hand at the date the aircraft are retired from service.

These allowances are based on management's estimates and are subject to change.

Property, Equipment and Depreciation

Property and equipment are stated at cost and depreciated on a straight-line basis to their estimated residual values over the asset's estimated useful life. Depreciation begins when the asset is placed into service. Aircraft and related parts begin depreciating on the aircraft's first revenue flight.

Estimated useful lives and residual values of property and equipment are as follows:

Boeing 717-200 aircraft and engines	7 - 11 years, 7 - 34% residual value
Boeing 767-300 aircraft and engines	7 - 20 years, 0 - 10% residual value
Airbus A330-200 aircraft and engines	25 years, 10% residual value
ATR42 Turboprop aircraft and engines	10 years, 15% residual value
Aircraft under capital leases	8 - 12 years, no residual value
Flight simulator under capital lease	25 years, 10% residual value
Major rotatable parts	Average lease term or useful life for related aircraft, 10% - 15% residual value
Improvements to leased flight equipment	Shorter of lease term or useful life
Facility leasehold improvements	Shorter of lease term, including assumed lease renewals when renewal is economically compelled at key airports, or useful life
Furniture, fixtures and other equipment	3 - 7 years, no residual value
Capitalized software	3 - 7 years, no residual value

Additions and modifications that significantly enhance the operating performance and/or extend the useful lives of property and equipment are capitalized and depreciated over the lesser of the remaining useful life of the asset or the remaining lease term, as applicable. Expenditures that do not improve or extend asset lives are charged to expense as incurred. Pre-delivery deposits are capitalized when paid.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Aircraft under capital leases are recorded at an amount equal to the present value of minimum lease payments utilizing the Company's incremental borrowing rate at lease inception and amortized on a straight-line basis over the lesser of the remaining useful life of the aircraft or the lease term. The amortization is recorded in depreciation and amortization expense on the Consolidated Statement of Operations. Accumulated amortization of aircraft and other capital leases was \$31.2 million and \$19.4 million as of December 31, 2014 and 2013, respectively.

The Company capitalizes certain costs related to the acquisition and development of computer software and amortizes these costs using the straight-line method over the estimated useful life of the software. The net book value of computer software, which is included in Other property and equipment on the consolidated balance sheets, was \$15.6 million and \$10.8 million at December 31, 2014 and 2013, respectively. Amortization expense related to computer software was \$5.5 million, and \$7.0 million, \$7.7 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Aircraft Maintenance and Repair Costs

Maintenance and repair costs for owned and leased flight equipment, including the overhaul of aircraft components, are charged to operating expenses as incurred. Engine overhaul costs covered by power-by-the-hour arrangements are paid and expensed as incurred and are based on the amount of hours flown per contract. Under the terms of these power-by-the-hour agreements, the Company pays a set dollar amount per engine hour flown on a monthly basis and the third-party vendor assumes the obligation to repair the engines at no additional cost, subject to certain specified exclusions.

Additionally, although the Company's aircraft lease agreements specifically provide that it is responsible for maintenance of the leased aircraft, the Company pays maintenance reserves to the aircraft lessors that are applied towards the cost of future maintenance events. These reserves are calculated based on a performance measure, such as flight hours, and are available for reimbursement to the Company upon the completion of the maintenance of the leased aircraft. However, reimbursements are limited to the available reserves associated with the specific maintenance activity for which the Company requests reimbursement.

Under certain aircraft lease agreements, if there are excess amounts on deposit at the expiration of the lease, the lessor is entitled to retain any excess amounts; whereas at the expiration of certain other existing aircraft lease agreements any such excess amounts are returned to the Company, provided that it has fulfilled all of its obligations under the lease agreements. The maintenance reserves paid under the lease agreements do not transfer either the obligation to maintain the aircraft or the cost risk associated with the maintenance activities to the aircraft lessor. In addition, the Company maintains the right to select any third-party maintenance provider.

Maintenance reserve payments that are expected to be recovered from lessors are recorded as deposits in the Consolidated Balance Sheets as an asset until it is less than probable that any portion of the deposit is recoverable. In addition, payments of maintenance reserves that are not substantially and contractually related to the maintenance of the leased assets are expensed as incurred. Any costs that are substantially and contractually unrelated to the maintenance of the leased asset are considered to be unrecoverable. In order to properly account for the costs that are related to the maintenance of the leased asset, the Company bifurcates its maintenance reserves into two groups and expenses the proportionate share that is expected to be unrecoverable.

Goodwill and Indefinite-lived Intangible Assets

Goodwill and intangible assets with indefinite lives are not amortized, but are tested for impairment at least annually using a three-step process in accordance with Accounting Standard Codification (ASC) Intangibles—Goodwill and Other (ASC 350).

In the event that the Company determines that the values of goodwill or indefinite-lived intangible assets have become impaired, the Company will incur an accounting charge during the period in which such determination is made. No impairments were recorded in 2014.

Impairment of Long-Lived Assets and Finite-lived Intangible Assets

Long-lived assets used in operations, consisting principally of property and equipment and finite-lived intangible assets, are tested for impairment when events or changes in circumstances indicate, in management's judgment, that

the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than its carrying amount. When testing for impairment, management considers market trends, the expected useful lives of the assets, changes in economic conditions, recent transactions involving sales of similar assets and, if necessary, estimates of future discounted cash flows. If, at any time, management determines the net carrying value of an asset is not recoverable, the amount is reduced to its fair value

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

during the period in which such determination is made. Any changes in the estimated useful lives of these assets will be accounted for prospectively.

Operating Leases

The Company leases aircraft, engines, airport and terminal facilities, office space, and other equipment under operating leases. Some of these lease agreements include escalation clauses and renewal options. For scheduled rent escalation clauses during the lease terms or for rental payments commencing at a date other than the date of initial occupancy, the Company records minimum rental expenses on a straight-line basis over the terms of the leases in the Consolidated Statements of Operations. When lease renewals are considered to be reasonably assured, the rental payments that will be due during the renewal periods are included in the determination of rent expense over the life of the lease. Rental expense for operating leases totaled \$160.7 million, \$158.6 million, and \$151.0 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Leased Aircraft Return Costs

Costs associated with the return of leased aircraft are accrued when it is probable that a payment will be made and that amount is reasonably estimable. Any accrual is based on the time remaining on the lease, planned aircraft usage and the provisions included in the lease agreement, although the actual amount due to any lessor upon return will not be known with certainty until lease termination.

Revenue Recognition

Passenger revenue is recognized either when the transportation is provided or when tickets expire unused. The value of passenger tickets for future travel is included as air traffic liability.

Various taxes and fees assessed on the sale of tickets to end customers are collected by the Company as an agent and remitted to taxing authorities. These taxes and fees have been presented on a net basis in the accompanying Consolidated Statements of Operations and recorded as a liability until remitted to the appropriate taxing authority. Other operating revenue includes checked baggage revenue, cargo revenue, ticket change and cancellation fees, charter revenue, ground handling fees, commissions and fees earned under certain joint marketing agreements with other companies, inflight revenue and other incidental sales.

Baggage fees, cargo and charter revenue are recognized when the transportation is provided. Ticket change and cancellation fees are recognized at the time the fees are assessed. All other revenue is recognized as revenue when the related goods and services are provided.

Frequent Flyer Program

HawaiianMiles, Hawaiian's frequent flyer travel award program provides a variety of awards to program members based on accumulated mileage. The Company utilizes the incremental cost method of accounting for free travel awards issued from the HawaiianMiles program. The Company records a liability for the estimated incremental cost of providing travel awards that are expected to be redeemed on Hawaiian or the contractual rate of expected redemption on other airlines. The Company estimates the incremental cost of travel awards based on periodic studies of actual costs and applies these cost estimates to all issued miles, less an appropriate breakage factor for estimated miles that will not be redeemed. Incremental cost includes the costs of fuel, meals and beverages, insurance and certain other passenger traffic-related costs, but does not include any costs for aircraft ownership and maintenance. The breakage factor is estimated based on an analysis of historical expirations.

The Company also sells mileage credits to companies participating in our frequent flyer program. These sales are accounted for as multiple-element arrangements, with one element representing the travel that will ultimately be provided when the mileage credits are redeemed and the other consisting of marketing related activities that we conduct with the participating company.

In 2013, Hawaiian entered into a co-branded credit card agreement, which provides for the sale of frequent flyer miles to Barclays Bank Delaware (Barclays) which began in 2014. The agreement is a new multiple element arrangement subject to Accounting Standards Update 2009-13, Multiple Deliverable Revenue Arrangements — A consensus of the FASB Emerging Issues Task Force (ASU 2009-13), which is effective for new and materially modified revenue arrangements entered into by the Company after January 1, 2011. ASU 2009-13 requires the allocation of the overall

consideration received to each deliverable using the estimated selling price. The objective of using estimated selling price based methodology is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

The following four deliverables or elements were identified in the agreement: (i) travel miles; (ii) use of the Hawaiian brand and access to member lists; (iii) advertising elements; and (iv) other airline benefits including checked baggage services and travel discounts. The Company determined the relative fair value of each element by estimating the selling prices of the deliverables by considering discounted cash flows using multiple inputs and assumptions, including: (1) the expected number of miles to be awarded and redeemed; (2) the estimated weighted average equivalent ticket value, adjusted by a fulfillment discount; (3) the estimated total annual cardholder spend; (4) an estimated royalty rate for the Hawaiian portfolio; and (5) the expected use of each of the airline benefits. The overall consideration received is allocated to the deliverables based on their relative selling prices. The transportation element is deferred and recognized as passenger revenue over the period when the transportation is expected to be provided (24 months). The other elements will generally be recognized as other revenue when earned.

In the previous co-branded credit card agreement, the estimated fair value of the transportation element was deferred and recognized as passenger revenue over the period the transportation was expected to be provided. Amounts received in excess of the transportation's estimated fair value were recognized immediately as other revenue.

The impact of applying the new accounting method for the year ended December 31, 2014 was immaterial to the Company's consolidated financial statements.

The Company's total frequent flyer liability for future award redemptions is reflected as components of Air traffic liability and Other liabilities and deferred credits within the Consolidated Balance Sheets as follows:

	As of December 31,	
	2014	2013
	(in thousands)	
Air traffic liability	\$49,618	\$51,264
Other liabilities and deferred credits	15,830	10,633
Total frequent flyer liability	\$65,448	\$61,897

Under the programs of certain participating companies, credits are accumulated in accounts maintained by the participating company and then transferred into a member's HawaiianMiles account for immediate redemption of free travel awards. For those transactions, revenue is recognized over the period during which the mileage is projected to be used for travel (five months).

On an annual basis, the Company reviews the deferral period and deferral rate for mileage credits sold to participating companies, as well as the breakage rate assumption for free travel awards earned in connection with the purchase of passenger tickets. The Company's incremental cost assumption is reviewed on a quarterly basis.

Pension and Postretirement and Postemployment Benefits

The Company accounts for its defined benefit pension and other postretirement and postemployment plans in accordance with ASC 715, Compensation—Retirement Benefits (ASC 715), which requires companies to measure their plans' assets and obligations to determine the funded status at fiscal year-end, reflect the funded status in the statement of financial position as an asset or liability, and recognize changes in the funded status of the plans in comprehensive income during the year in which the changes occur. Pension and other postretirement and postemployment benefit expenses are recognized on an accrual basis over each employee's service periods. Pension expense is generally independent of funding decisions or requirements.

The Company uses the corridor approach in the valuation of its defined benefit pension and other postretirement and postemployment plans. The corridor approach defers all actuarial gains and losses resulting from variances between actual results and actuarial assumptions. These unrecognized actuarial gains and losses are amortized when the net gains and losses exceed 10% of the greater of the market-related value of plan assets or the projected benefit obligation at the beginning of the year. The amount in excess of the corridor is amortized over the average remaining service period to retirement date of active plan participants.

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense was \$15.6 million, \$14.1 million and \$11.2 million for the years ended December 31, 2014, 2013, and 2012, respectively.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Capitalized Interest

Interest is capitalized upon the payment of predelivery deposits for aircraft and engines, and is depreciated over the estimated useful life of the asset from service inception date.

Stock Compensation Plans

The Company has a stock compensation plan for it and its subsidiaries' officers, consultants and non-employee directors. The Company accounts for stock compensation awards under ASC 718, Compensation—Stock Compensation, which requires companies to measure the cost of employee services received in exchange for an award of equity instruments based on the fair value of such awards on the dates they are granted. The fair value of the awards are estimated using the following: (1) option-pricing models for grants of stock options, (2) Monte Carlo simulations for restricted stock units with a market condition, or (3) fair value at the measurement date (usually the grant date) for awards of stock subject to time and / or performance-based vesting. The resultant cost is recognized as compensation expense over the period of time during which an employee is required to provide services to the Company (the service period) in exchange for the award, the service period generally being the vesting period of the award.

Financial Derivative Instruments

The Company uses derivatives to manage risks associated with certain assets and liabilities arising from the potential adverse impact of fluctuations in global aircraft fuel prices, interest rates and foreign currency exchange rates.

The following table summarizes the accounting treatment of the Company's derivative contracts:

Derivative Type	Accounting Designation	Classification of Realized Gains and Losses	Classification of Unrealized Gains (Losses)	
			Effective Portion	Ineffective Portion
Interest rate contracts	Designated as cash flow hedges	Interest expense and amortization of debt discounts and issuance costs	AOCI	Nonoperating income (expense)
Foreign currency exchange contracts	Designated as cash flow hedges	Passenger revenue	AOCI	Nonoperating income (expense)
Fuel hedge contracts	Not designated as hedges	Gains (losses) on fuel derivatives	Change in fair value is recorded in nonoperating income (expense)	
Negative interest arbitrage associated with EETCs	Not designated as hedges	Nonoperating income (expense), Other	Change in fair value is recorded in nonoperating income (expense)	
Foreign currency exchange contracts	Not designated as hedges	Nonoperating income (expense), Other	Change in fair value is recorded in nonoperating income (expense)	

If the Company terminates a derivative prior to its contractual settlement date, then the cumulative gain or loss recognized in AOCI at the termination date remains in AOCI until the forecasted transaction occurs. In a situation where it becomes probable that a hedged forecasted transaction will not occur, any gains and/or losses that have been recorded to AOCI would be required to be immediately reclassified into earnings. All cash flows associated with purchasing and settling derivatives are classified as operating cash flows in the Consolidated Statements of Cash Flows.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ significantly from those estimates.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers (ASU 2014-09), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2014-09 will replace most existing revenue recognition guidance in GAAP when it becomes effective. Early adoption is not permitted. The amendments in ASU 2014-09 are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016 and allows for either full retrospective or modified retrospective adoption. The Company is currently evaluating the effect that the provisions of ASU 2014-09 will have on its consolidated financial statements and related disclosures. We have determined that the new

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

standard once effective will preclude the Company from accounting for points earned under its customer loyalty program using the incremental cost method, and will require it to use a deferred revenue method. This change could have a significant impact on our financial statements.

2. Accumulated Other Comprehensive Loss

Reclassifications out of accumulated other comprehensive loss by component is as follows:

Details about accumulated other comprehensive loss components	Year ended December 31,		Affected line items in the statement where net income is presented
	2014	2013	
	(in thousands)		
Derivatives designated as hedging instruments under ASC 815			
Foreign currency derivative gains, net	\$(9,943	) \$(9,016	) Passenger revenue
Foreign currency derivative gains, net	—	(760	) Other nonoperating expense
Interest rate derivative losses, net	813	656	Interest expense
Total before tax	(9,130	) (9,120)
Tax expense	3,456	3,447	
Total, net of tax	\$(5,674	) \$(5,673)
Amortization of defined benefit pension items			
Actuarial loss	\$319	\$8,660	Wages and benefits
Prior service credit	226	(4	) Wages and benefits
Total before tax	545	8,656	
Tax benefit	(206	) (3,336)
Total, net of tax	\$339	\$5,320	
Short-term investments			
Realized gain on sales of investments, net	(22	) —	Other nonoperating income
Total before tax	(22) —	
Tax expense	8	—	
Total, net of tax	(14) —	
Total reclassifications for the period	\$(5,349	) \$(353)

A rollforward of the amounts included in accumulated other comprehensive loss, net of taxes, is as follows:

Year ended December 31, 2014	Interest Rate Derivatives	Foreign Currency Derivatives	Defined Benefit Pension Items	Short-Term Investments	Total
	(in thousands)				
Beginning balance	\$1,096	\$8,277	\$(52,059	) \$—	\$(42,686
Other comprehensive income before reclassifications, net of tax	(1,340	) 10,603	(83,800	) (240	) (74,777
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	498	(6,172	) 339	(14	) (5,349
Net current-period other comprehensive income, net of tax	(842	) 4,431	(83,461	) (254	) (80,126
Ending balance	\$254	\$12,708	\$(135,520	) \$(254	) \$(122,812

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Year ended December 31, 2013	Interest Rate Derivatives (in thousands)	Foreign Currency Derivatives	Defined Benefit Pension Items	Total
Beginning balance	\$—	\$—	\$(114,054)	\$(114,054)
Other comprehensive income before reclassifications, net of tax	688	14,358	56,675	71,721
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	408	(6,081)	5,320	(353)
Net current-period other comprehensive income, net of tax	1,096	8,277	61,995	71,368
Ending balance	\$1,096	\$8,277	\$(52,059)	\$(42,686)

3. Earnings Per Share

Basic earnings per share, which excludes dilution, is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

	Year Ended December 31, 2014 2013 2012 (in thousands, except for per share data)		
Numerator:			
Net Income	\$68,926	\$51,854	\$53,237
Denominator:			
Weighted average common shares outstanding—Basic	53,591	52,099	51,314
Assumed exercise of stock options and awards	960	884	1,221
Assumed exercise of convertible note premium	4,910	172	—
Assumed conversion of warrants	3,361	—	—
Weighted average common shares outstanding—Diluted	62,822	53,155	52,535
Net Income Per Common Stock Share:			
Basic	\$1.29	\$1.00	\$1.04
Diluted	\$1.10	\$0.98	\$1.01

The table below summarized those common stock equivalents that could potentially dilute basic earnings per share in the future but were excluded from the computation of diluted earnings per share because the instruments were antidilutive.

	Year Ended December 31, 2014 2013 2012 (in thousands)		
Stock Options	3	392	89
Deferred Stock	—	43	—
Restricted Stock	2	1,345	717
Convertible note premium	—	—	10,943
Warrants	—	10,943	10,943

In March 2011, the Company entered into a convertible note transaction which included the sale of convertible notes, purchase of call options and sale of warrants.

In 2014, the Company repurchased \$15.1 million of the 5% Convertible Notes due in 2016 (the "Convertible Notes"). The remaining principal balance of \$71.1 million as of December 31, 2014 can be redeemed with either cash or the

Company's common stock, or a combination thereof, at the Company's option. The 9.0 million shares into which the remaining principal

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

balance of the Convertible Notes could be converted will not impact the dilutive earnings per share calculation in the current and future periods under the if-converted method, as the Company has the intent and ability to redeem the principal amount of the Convertible Notes with cash. During the year ended December 31, 2014 and 2013, the average share price of the Company's common stock exceeded the conversion price of \$7.88 per share. Therefore, shares related to the conversion premium of the Convertible Notes (for which share settlement is assumed for EPS purposes) are included in the Company's computation of diluted earnings per share.

In connection with the issuance of the Convertible Notes, the Company entered into separate call option transactions and separate warrant transactions with certain financial investors to reduce the potential dilution of the Company's common stock and to offset potential payments by the Company to holders of the Convertible Notes in excess of the principal of the Convertible Notes upon conversion.

The call options to repurchase the Company's common stock will always be antidilutive and, therefore, will have no effect on diluted earnings per share and are excluded from the table above.

For the year ended December 31, 2014, the average share price of the Company's common stock exceeded the warrant strike price of \$10.00 per share. Therefore, the assumed conversion of the warrants are included in the Company's computation of diluted earnings per share. For the years ended December 31, 2013 and 2012, the weighted common stock equivalents for warrants were excluded from the computation of diluted earnings per share because the warrant strike price exceeded the average share price of the Company's common stock.

See Note 8 for further information over the Convertible Note and repurchase transactions.

4. Short-Term Investments

Debt securities that are not classified as cash equivalents are classified as available-for-sale investments and are stated at fair value. Realized gains and losses on sales of investments are reflected in nonoperating income (expense) in the unaudited consolidated statements of operations. Unrealized gains and losses on available-for-sale securities are reflected as a component of accumulated other comprehensive loss.

The following is a summary of short-term investments held as of December 31, 2014:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(in thousands)			
Corporate debt	\$180,794	\$43	\$(394)	) \$180,443
U.S. government and agency debt	38,268	—	(40)	) 38,228
Municipal bonds	23,849	4	(16)	) 23,837
Other fixed income securities	17,618	—	(5)	) 17,613
Total short-term investments	\$260,529	\$47	\$(455)	) \$260,121

Contractual maturities of short-term investments as of December 31, 2014 are shown below.

	Under 1 Year	1 to 5 Years	Total
	(in thousands)		
Corporate debt	\$74,935	\$105,508	\$180,443
U.S. government and agency debt	10,933	27,295	38,228
Municipal bonds	3,566	20,271	23,837
Other fixed income securities	16,620	993	17,613
Total short-term investments	\$106,054	\$154,067	\$260,121

The Company classifies investments as current assets as these securities are available for use in its current operations.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

5. Fair Value Measurements

ASC 820 defines fair value as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term for the assets or liabilities; and

Level 3—Unobservable inputs in which there is little or no market data and that are significant to the fair value of the assets or liabilities.

The tables below present the Company's financial assets and liabilities measured at fair value on a recurring basis:

	Fair Value Measurements as of December 31, 2014			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Cash equivalents	\$55,072	\$35,913	\$19,159	\$—
Restricted cash	6,566	6,566	—	—
Short-term investments	260,121	—	260,121	—
Fuel derivative contracts	32,637	—	32,637	—
Foreign currency derivatives	19,746	—	19,746	—
Total assets measured at fair value	\$374,142	\$42,479	\$331,663	\$—
Fuel derivative contracts	71,447	—	71,447	—
Interest rate derivative	129	—	129	—
Negative interest arbitrage derivative	500	—	—	500
Total liabilities measured at fair value	\$72,076	\$—	\$71,576	\$500

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

	Fair Value Measurements as of December 31, 2013			
	Total (in thousands)	Level 1	Level 2	Level 3
Cash equivalents	\$269,384	\$269,384	\$—	\$—
Restricted cash	21,000	21,000	—	—
Fuel derivative contracts:				
Crude oil call options	7,121	—	7,121	—
Crude oil put options	186	—	186	—
Heating oil put options	417	—	417	—
Heating oil swaps	5,863	—	5,863	—
Foreign currency derivatives	12,494	—	12,494	—
Interest rate derivative	1,121	—	1,121	—
Total assets measured at fair value	\$317,586	\$290,384	\$27,202	\$—
Fuel derivative contracts:				
Crude oil call options	\$7,121	\$—	\$7,121	\$—
Crude oil put options	186	—	186	—
Heating oil swaps	187	—	187	—
Foreign currency derivatives	1,188	—	1,188	—
Negative interest arbitrage derivative	12,865	—	—	12,865
Total liabilities measured at fair value	\$21,547	\$—	\$8,682	\$12,865

Cash equivalents. The Company's cash equivalents consist of money market securities, U.S. agency bonds, foreign and domestic corporate bonds, and commercial paper. The instruments classified as Level 2 are valued using quoted prices for similar assets in active markets.

Restricted cash. The Company's restricted cash consist of money market securities.

Short-term investments. Short-term investments include U.S. and foreign government notes and bonds, U.S. agency bonds, variable rate corporate bonds, asset backed securities, foreign and domestic corporate bonds, municipal bonds, and commercial paper. These instruments are valued using quoted prices for similar assets in active markets or other observable inputs.

Fuel derivative contracts. The Company's fuel derivative contracts consist of heating oil puts and swaps which are not traded on a public exchange. The fair value of these instruments are determined based on inputs available or derived from public markets including contractual terms, market prices, yield curves and measures of volatility among others.

Foreign currency derivatives. The Company's foreign currency derivatives consist of Japanese Yen and Australian Dollar forward contracts and are valued based primarily on data available or derived from public markets.

Interest rate derivative. The Company's interest rate derivative consists of an interest rate swap and is valued based primarily on data available or derived from public markets.

Negative arbitrage derivative. The Company's negative arbitrage derivative represents the net interest owed to the trusts that issued the Company's enhanced equipment trust certificates during the periods prior to the issuance of the related equipment notes, and is valued based primarily on the discounted amount of future cash flows using the appropriate rate of borrowing. Changes to those discount rates would be unlikely to cause material changes in the fair value of the negative arbitrage derivative (refer to Note 6 for more information).

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

The table below presents disclosures about the activity for the Company's "Level 3" financial liability:

	Year Ended December 31,	
	2014	2013
	(in thousands)	
Beginning balance	\$12,865	\$—
Issuance of enhanced equipment trust certificates	—	12,865
Reduction of balance in connection with interest payment	(12,365)) —
Ending balance	\$500	\$12,865

The table below presents the Company's debt (excluding obligations under capital leases) measured at fair value:

Fair Value of Debt					December 31, 2013				
December 31, 2014					December 31, 2013				
Carrying	Fair Value				Carrying	Fair Value			
Amount	Total	Level 1	Level 2	Level 3	Amount	Total	Level 1	Level 2	Level 3
(in thousands)					(in thousands)				
\$947,897	\$956,811	\$—	\$69,766	\$887,045	\$695,804	\$738,563	\$—	\$104,656	\$633,907

The fair value estimates of the Company's debt were based on either market prices or the discounted amount of future cash flows using the Company's current incremental rate of borrowing for similar obligations.

The carrying amounts of cash, other receivables and accounts payable approximate fair value due to the short-term nature of these financial instruments.

6. Financial Derivative Instruments

The Company uses derivatives to manage risks associated with certain assets and liabilities arising from the potential adverse impact of fluctuations in global fuel prices, interest rates and foreign currencies.

In 2013, the Company recognized in its Consolidated Balance Sheets the financial effect of the net interest owed to the trusts that issued the Company's enhanced equipment trust certificates. The characteristics of the net interest obligation resulted in the obligation meeting the definition of a derivative instrument under ASC Topic 815, Derivatives and Hedging (ASC 815).

Fuel Risk Management

The Company's operations are inherently dependent upon the price and availability of aircraft fuel. To manage economic risks associated with fluctuations in aircraft fuel prices, the Company periodically enters into derivative financial instruments. The Company primarily used heating oil puts and swaps and Brent crude oil call options and collars to hedge its aircraft fuel expense. As of December 31, 2014, the Company had heating oil put and swap contracts, which were not designated as hedges under ASC Topic 815, Derivatives and Hedging (ASC 815), for hedge accounting treatment. As a result, any changes in fair value of these derivative instruments are adjusted through other nonoperating income (expense) in the period of change.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

The following table reflects the amount of realized and unrealized gains and losses recorded as nonoperating income (expense) in the Consolidated Statements of Operations.

	Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Losses realized at settlement	\$(20,365	) \$(14,018	) \$(7,372)
Reversal of prior period unrealized amounts	(2,331	) 6,013	2,367
Unrealized gains (losses) that will settle in future periods	(40,775	) 2,671	(6,325)
Losses on fuel derivatives recorded as Nonoperating income (expense)	\$(63,471	) \$(5,334	) \$(11,330)

Foreign Currency Exchange Rate Risk Management

The Company is subject to foreign currency exchange rate risk due to revenues and expenses denominated in foreign currencies, with the primary exposures being the Japanese Yen and Australian Dollar. To manage exchange rate risk, the Company executes its international revenue and expense transactions in the same foreign currency to the extent practicable. The Company enters into foreign currency forward contracts to further manage the effects of fluctuating exchange rates. The effective portion of the gain or loss is reported as a component of AOCI and reclassified into earnings in the same period in which the related sales are recognized as passenger revenue. The effective portion of the foreign currency forward contracts represents the change in fair value of the hedge that offsets the change in the fair value of the hedged item. To the extent the change in the fair value of the hedge does not perfectly offset the change in the fair value of the hedged item, the ineffective portion of the hedge is immediately recognized as nonoperating income (expense).

The Company believes that its foreign currency forward contracts will continue to be effective in offsetting changes in cash flow attributable to the hedged risk. The Company expects to reclassify a net gain of approximately \$14.4 million into earnings over the next 12 months from AOCI based on the values at December 31, 2014.

Negative Arbitrage Derivative

In 2013, the Company created two pass-through trusts, which issued \$444.5 million aggregate principal amount of EETCs. See Note 8 for further information related to the EETCs. In accordance with the related agreements, the Company is obligated to pay the interest that accrues on the proceeds and is also entitled to the benefits of the income generated from the same proceeds. The difference between the interest owed to the pass-through trusts and the interest generated from the proceeds introduces an element of variability that could cause the associated cash flows to fluctuate. This variability requires the Company's obligation to the trusts to be recognized as a derivative in the Company's consolidated financial statements. During the year ended December 31, 2014, approximately \$12.4 million of the derivative was reduced in connection with the interest payments made to the trusts.

The following tables present the gross fair value of asset and liability derivatives that are designated as hedging instruments under ASC 815 and derivatives that are not designated as hedging instruments under ASC 815, as well as the net derivative positions and location of the asset and liability balances within the Consolidated Balance Sheets.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Derivative positions as of December 31, 2014

	Balance Sheet Location	Notional Amount (in thousands)	Final Maturity Date	Gross fair value of assets (in thousands)	Gross fair value of (liabilities)	Net derivative position
Derivatives designated as hedges						
Interest rate derivative	Other accrued liabilities	\$57,400 U.S. dollars	April 2023	\$—	\$(26)	\$(26)
	Other liabilities and deferred credits(1)			—	(103)	(103)
Foreign currency derivatives	Prepaid expenses and other	6,909,050 Japanese Yen 51,380 Australian Dollars	December 2015	13,921	—	13,921
	Long-term prepayments and other	3,758,500 Japanese Yen 13,080 Australian Dollars	November 2016	4,565	—	4,565
Derivatives not designated as hedges						
Foreign currency derivatives	Prepaid expenses and other	7,714,291 Japanese Yen 43,546 Australian Dollars	December 2015	1,191	—	1,191
	Long-term prepayments and other	2,762,000 Japanese Yen 3,500 Australian Dollars	August 2016	69	—	69
Fuel derivative contracts	Other accrued liabilities	90,994 gallons	December 2015	32,637	(71,447)	(38,810)
Negative arbitrage derivative	Other accrued liabilities	\$444,540 U.S. dollars	January 2015	—	(500)	(500)

(1) Represents the noncurrent portion of the \$57 million interest rate derivative with final maturity in April 2023.

Derivative positions as of December 31, 2013

	Balance Sheet Location	Notional Amount (in thousands)	Final Maturity Date	Gross fair value of assets (in thousands)	Gross fair value of (liabilities)	Net derivative position
Derivatives designated as hedges						
Interest rate derivative	Prepaid expenses and other	\$63,800 U.S. dollars	April 2023	\$196	\$—	\$196
	Long-term prepayments and			925	—	925

	other (1)	10,500,321 Japanese Yen					
		10,895,370 Korean Won	December 2014	9,946	(450	)	9,496
Foreign currency derivatives	Prepaid expenses and other	62,659 Australian Dollars					
		4,821 New Zealand Dollars					
	Long-term prepayments and other	1,980,949 Japanese Yen	May 2015	1,673	—		1,673
		16,681 Australian Dollars					
Derivatives not designated as hedges							
Foreign currency derivatives	Prepaid expenses and other	6,180 Japanese Yen	December 2014	577	(229	)	348
	Other accrued liabilities	58 Australian Dollars		298	(509	)	(211)
Fuel derivative contracts	Prepaid expenses and other	84,714 gallons	December 2014	13,587	(7,494	)	6,093
Negative arbitrage derivative	Other accrued liabilities	\$444,540 U.S. dollars	January 2015	—	(12,250	)	(12,250)
	Other liabilities and deferred credits (2)			—	(615	)	(615)

(1) Represents the noncurrent portion of the \$64 million interest rate derivative with final maturity in April 2023.

(2) Represents the noncurrent portion of the \$445 million negative arbitrage derivative with final maturity in January 2015.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

The following table reflects the impact of cash flow hedges designated for hedge accounting treatment and their location within the Consolidated Statements of Comprehensive Income.

	(Gain) Loss recognized in AOCI on derivatives (effective portion)		(Gain) Loss reclassified from AOCI into income (effective portion)		Gain recognized in nonoperating (income) expense (ineffective portion)	
	Year ended December 31,		Year ended December 31,		Year ended December 31,	
	2014	2013	2014	2013	2014	2013
	(in thousands)					
Foreign currency derivatives	\$(17,295	) \$(22,781	) \$(9,943	) \$(9,016	) \$—	) \$(760
Interest rate derivatives	1,249	(1,593	) 813	656	—	—
Risk and Collateral						

The financial derivative instruments expose the Company to possible credit loss in the event the counterparties to the agreements fail to meet their obligations. To manage such credit risks, the Company (1) selects its counterparties based on past experience and credit ratings, (2) limits its exposure to any single counterparty, and (3) periodically monitors the market position and credit rating of each counterparty. Credit risk is deemed to have a minimal impact on the fair value of the derivative instruments as cash collateral would be provided to or by the counterparties based on the current market exposure of the derivative.

The Company's agreements with its counterparties also requires the posting of cash collateral in the event the aggregate value of the Company's positions exceeds certain exposure thresholds that are based upon certain liquidity metrics of the Company. The aggregate fair value of the Company's derivative instruments that contain credit-risk related contingent features that are in a net liability position as of December 31, 2014 was \$38.8 million.

ASC 815 requires a reporting entity to elect a policy of whether to offset rights to reclaim cash collateral or obligations to return cash collateral against derivative assets and liabilities executed with the same counterparty under a master netting agreement, or present such amounts on a gross basis. The Company's accounting policy is to present its derivative assets and liabilities on a net basis, including any collateral posted with the counterparty. The Company had \$0.6 million in collateral posted with its counterparties as of December 31, 2014 and no collateral posted with its counterparties as of December 31, 2013.

The Company is also subject to market risk in the event these financial instruments become less valuable in the market. However, changes in the fair value of the derivative instruments will generally offset the change in the fair value of the hedged item, limiting the Company's overall exposure.

The following tables reconciles the Company's net derivative positions to the financial statement line item within the Consolidated Balance Sheets (in thousands):

	December 31,	
	2014	2013
Interest rate derivative	\$—	\$196
Foreign currency derivatives	15,113	9,844
Fuel derivative contracts	—	6,093
Prepaid expenses	35,815	35,067
Other	2,454	452
Prepaid expenses and other	\$53,382	\$51,652

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

	December 31,	
	2014	2013
Interest rate derivative	\$—	\$925
Foreign currency derivatives	4,633	1,673
Deposits	36,295	28,144
Maintenance reserves	10,457	9,650
Debt issuance costs	30,851	35,781
Other	13,989	15,780
Long-term prepayments and other	\$96,225	\$91,953
	December 31,	
	2014	2013
Foreign currency derivatives	\$—	\$211
Interest rate derivative	26	—
Fuel derivative contracts	38,810	—
Negative arbitrage derivative	500	12,250
Accrued payroll and related	57,661	48,088
Accrued taxes	12,582	11,670
Other	32,340	25,352
Other accrued liabilities	\$141,919	\$97,571
	December 31,	
	2014	2013
Interest rate derivative	\$103	\$—
Negative arbitrage derivative	—	615
Lease related obligations	35,934	26,303
Deferred revenue	34,764	32,299
Other	1,849	207
Other liabilities and deferred credits	\$72,650	\$59,424

7. Intangible Assets

The following tables summarize the gross carrying values of intangible assets less accumulated amortization, and the useful lives assigned to each asset.

	As of December 31, 2014			Approximate useful life (years)	
	Gross carrying value	Accumulated amortization	Net book value		
	(in thousands)				
Favorable aircraft and engine leases	\$8,674	\$(8,674)	) \$—	7	(*)
Favorable aircraft maintenance contracts	18,200	(12,305)	) 5,895	14	(*)
Frequent flyer program—customer relations	12,200	(10,580)	) 1,620	11	
Hawaiian Airlines trade name	13,000	—	13,000	Indefinite	
Operating certificates	3,660	(2,875)	) 785	12	
Total intangible assets	\$55,734	\$(34,434)	) \$21,300		

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

	As of December 31, 2013		
	Gross carrying value	Accumulated amortization	Net book value
	(in thousands)		
Frequent flyer program—marketing relationships	\$119,900	\$(119,900)) \$—
Favorable aircraft and engine leases	32,710	(32,710)) —
Favorable aircraft maintenance contracts	18,200	(11,069)	) 7,131
Frequent flyer program—customer relations	12,200	(9,476)	) 2,724
Hawaiian Airlines trade name	13,000	—	13,000
Operating certificates	3,660	(2,575)	) 1,085
Total intangible assets	\$199,670	\$(175,730)	) \$23,940

(*) Weighted average is based on the gross carrying values and estimated useful lives as of June 2, 2005 (the date Hawaiian emerged from bankruptcy). The useful lives ranged from seven years for a favorable aircraft lease to sixteen years for a favorable aircraft maintenance contract.

Amortization expense related to the above intangible assets was \$2.6 million, \$2.6 million and \$18.8 million for the years ended December 31, 2014, 2013, and 2012, respectively. Amortization of the favorable aircraft and engine leases and the favorable aircraft maintenance contracts are included in aircraft rent and maintenance materials and repairs, respectively, in the accompanying Consolidated Statements of Operations. The estimated future amortization expense as of December 31, 2014 for the intangible assets subject to amortization is as follows (in thousands):

2015	\$2,640
2016	2,052
2017	1,421
2018	1,236
2019	951
	\$8,300

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

8. Debt

Long-term debt (including capital lease obligations) net of unamortized discounts is outlined as follows:

	2014	2013
	(in thousands)	
Airbus A330-200 Aircraft Facility Agreements, interest rates ranging from 5.37%- 6.46%, quarterly principal and interest payments, maturing in 2023 - 2024(1)	\$270,154	\$353,723
Class A EETC, fixed interest rate of 3.9%, interest-only semiannual payments which started in January 2014, principal and interest payments which started in January 2015 and maturing in January 2026(2)	328,260	56,000
Class B EETC, fixed interest rate of 4.95%, interest-only semiannual payments which started in January 2014, principal and interest semiannual payments which started in January 2015 and maturing in January 2022(2)	116,280	20,110
Boeing 717-200 Aircraft Facility Agreements, fixed interest rate of 8%, monthly principal and interest payments, the remaining balance of \$39.7 million due at maturity on June 2019(1)	136,792	154,422
Five year 5% unsecured convertible notes, with interest only semiannual payments, and the remaining balance due at maturity on March 15, 2016(4)	71,120	86,250
Boeing 767 Aircraft Facility Agreement, variable interest rate of 2.91% at December 31, 2014, quarterly principal and interest payments, maturing in December 2018(1)	29,881	35,000
Capital lease obligations (see Note 9)	101,740	110,668
Total debt and capital lease obligations	\$1,054,227	\$816,173
Less:		
Unamortized discount on convertible note(3)	(4,590)	(9,700)
Current maturities	(156,349)	(62,187)
Long-Term Debt, less discount, and Capital Lease Obligations	\$893,288	\$744,286

(1) Aircraft Facility Agreements are secured by aircraft.

(2) The equipment notes underlying these EETCs are the direct obligations of Hawaiian.

(3) As of December 31, 2014, the Convertible Note discount is being amortized to interest expense over the remaining term of 1.25 years.

(4) During the three months ended December 31, 2014 a condition for conversion of the Convertible Note was satisfied, which permits holders of the Convertible Notes to surrender their notes for conversion during the quarter ending March 31, 2015. Therefore, the principal balance could be settled in as early as 2015 and is classified as a current liability in the Consolidated Balance Sheets.

Enhanced Equipment Trust Certificates (EETC)

In 2013, Hawaiian consummated an EETC financing, whereby it created two pass-through trusts, one of which issued \$328.2 million aggregate principal amount of Class A pass-through certificates with a stated interest rate of 3.9% and the second of which issued \$116.3 million aggregate principal amount of Class B pass-through certificates with a stated interest rate of 4.95%. During the year ended December 31, 2014, the Company received \$368.4 million in proceeds from the issuance of the equipment notes, which it used to fund a portion of the purchase price of five Airbus aircraft. The equipment notes are secured by a lien on the aircraft, and the payment obligations of Hawaiian under the equipment notes will be fully and unconditionally guaranteed by the Company. The Company issued the equipment notes to the trusts as aircraft were delivered to Hawaiian. Hawaiian recorded the debt obligation upon issuance of the equipment notes rather than upon the initial issuance of the pass-through certificates. In connection with the consummation of the EETC financing transaction, Hawaiian was required to deposit \$16.0 million into a collateral account, of which \$14.4 million was released during the year ended December 31, 2014. The funds held in this account are under the control of a third party. Accordingly, these funds are classified as restricted cash in the

Company's Consolidated Balance Sheets.

The Company evaluated whether the pass-through trusts formed are variable interest entities ("VIEs") required to be consolidated by the Company under applicable accounting guidance, and determined that the pass-through trusts are VIEs. The Company determined that it does not have a variable interest in the pass-through trusts. Neither the Company nor Hawaiian

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

invested in or obtained a financial interest in the pass-through trusts. Rather, Hawaiian has an obligation to make interest and principal payments on its equipment notes held by the pass-through trusts, which will be fully and unconditionally guaranteed by the Company. Neither the Company nor Hawaiian intends to have any voting or non-voting equity interest in the pass-through trusts or to absorb variability from the pass-through trusts. Based on this analysis, the Company determined that it is not required to consolidate the pass-through trusts.

Convertible Notes

On March 23, 2011, the Company issued \$86.25 million principal amount of convertible notes (the Convertible Notes) due March 15, 2016. The Convertible Notes were issued at par and bear interest at a rate of 5.00% per annum. Interest is paid semiannually, in arrears, on March 15 and September 15 each year.

Each \$1,000 of principal of the Convertible Notes is convertible under certain circumstances, at an initial conversion rate of 126.8730 shares of the Company's common stock (or a total of approximately 10.9 million shares), which is the equivalent of approximately \$7.8819 per share, subject to adjustment upon the occurrence of certain specified events as set forth in the indenture governing the terms of the Convertible Notes. Upon conversion, the Company will have the right, at the Company's election, to pay or deliver cash, shares of the Company's common stock or a combination thereof. As of December 31, 2014, the Company has the intent and ability to settle the principal balance of the Convertible Notes in cash. Holders may convert their Convertible Notes at their option at any time prior to November 15, 2015, only if one of the following conditions has been met (a condition permitting conversion in the first quarter of 2015 was met as of December 31, 2014):

During any calendar quarter after the calendar quarter ending June 30, 2011, and only during such calendar quarter, if the closing price of the Company's common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the preceding calendar quarter exceeds 130% of the conversion price per share of common stock in effect on the last day of such preceding calendar quarter;

During the five consecutive business days immediately after any 10 consecutive trading day period in which the average trading price per \$1,000 principal amount of the Convertible Notes during such period was less than 97% of the product of the closing sale price of the common stock and the conversion rate on such trading day;

The Company makes specified distributions to holders of the Company's common stock or specified corporate transactions occur.

On or after November 15, 2015, and up through and including the second business day immediately preceding March 15, 2016, the Holders may convert their Convertible Notes into common stock.

Holders may require the Company to repurchase all or a portion of their Convertible Notes upon a fundamental change, primarily a change in control or termination of trading, at a cash repurchase price equal to 100% of the principal amount of the Convertible Notes plus accrued and unpaid interest, if any. The Company may not redeem the Convertible Notes prior to their maturity date. The Convertible Notes do not limit the amount that the Company would be required to pay or the number of shares that would be required to be issued upon conversion.

Amortization of the discount allocated to the debt component of the Convertible Notes for the years ended December 31, 2014, 2013 and 2012 was \$4.1 million, \$3.9 million and \$3.5 million, respectively, and interest expense for the years ended December 31, 2014, 2013, and 2012 was \$4.3 million, \$4.8 million and \$4.8 million, respectively. As of December 31, 2014, the if-converted value of the notes, which assumes that the notes will be converted into shares of the Company's common stock, exceeded the principal amount by \$163.9 million.

Convertible Note Hedges and Warrants

In connection with the issuance of the Convertible Notes, the Company entered into separate convertible note hedge transactions (the Convertible Note Hedges) and separate warrant transactions (the Warrants) with certain financial investors to reduce the potential dilution of the Company's common stock and to offset potential payments by the Company to holders of the Convertible Notes in excess of the principal of the Convertible Notes upon conversion. The Convertible Note Hedges and Warrants are separate transactions, entered into by the Company with the financial institutions, and are not part of the Convertible Notes described above.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

The Company paid \$19.5 million for the Convertible Note Hedges. Under the terms of the Convertible Note Hedges, the counterparties to the Convertible Note Hedges will generally deliver to the Company amounts in excess of the principal amount of the Convertible Notes delivered upon conversion by the Company to the holders of the Convertible Notes in the same form of consideration elected to be delivered by the Company to the holders of the Convertible Notes under the indenture for the Convertible Notes. The Company may elect to settle the conversion feature of the Convertible Notes in cash or shares of common stock or in any combination of cash or shares of common stock as determined in accordance with the provisions of the indenture. The Convertible Note Hedges are currently exercisable and expire on March 15, 2016.

Concurrent with the issuance of the Convertible Notes, the Company sold Warrants to certain financial institutions that permit such financial institutions to acquire shares of the Company's common stock. The Warrants are exercisable by the financial institutions for 10.9 million shares of the Company's common stock at an exercise price of \$10.00 per share. The Company received \$11.9 million in proceeds from the sale of the Warrants. The Warrants expire at various dates beginning in June 2016 and ending in September 2016. The Warrants provide for net share settlement by the Company, subject to the option of the Company to deliver cash in lieu of shares if certain conditions under the Warrants have been met.

Convertible Note Repurchase

During 2014, the Company repurchased \$15.1 million in principal of its Convertible Notes for \$42.7 million. This cash consideration was allocated to the fair value of the liability component immediately before extinguishment and the remaining consideration was allocated to the equity component and recognized as a reduction of shareholders' equity. As of December 31, 2013, the carrying value of the equity component of the Convertible Notes was \$19.5 million. In 2014, the carrying value was reduced by \$27.6 million in connection with the repurchase of the Convertible Notes. The effective interest rate on the liability component during the year ended December 31, 2014 was 11%.

The repurchase of the Convertible Notes resulted in a loss on extinguishment of \$1.4 million, which classified as Interest expense and amortization of debt discounts and issuance costs in the Consolidated Statement of Operations.

Debt Extinguishment

In October 2014, Hawaiian extinguished \$54.2 million of existing debt under a secured financing agreement, which was originally scheduled to mature in October 2023. This debt extinguishment resulted in a loss of \$2.3 million, which was reported as Interest expense and amortization of debt discounts and issuance costs in the Consolidated Statement of Operations.

Revolving Credit Facilities

In September 2014, Hawaiian terminated its secured revolving credit facility with Wells Fargo Capital Finance LLC, which provided for a secured revolving credit facility of up to \$75 million.

In November 2014, Hawaiian entered into a credit agreement with Citigroup Global Markets Inc. providing for a secured revolving credit and letter of credit facility ("Revolving Credit Facility") in an amount of up to \$175 million, maturing in November 2017. Hawaiian may, from time to time, grant liens on certain eligible account receivables, aircraft, spare engines, and ground support equipment, as well as cash and certain cash equivalents, in order to secure its outstanding obligations under the Revolving Credit Facility. Indebtedness under the Revolving Credit Facility will bear interest, at a per annum rate based on, at Hawaiian's option: (1) a variable rate equal to the London interbank offer rate plus a margin of 3.0%; or (2) another rate based on certain market interest rates plus a margin of 2.0%. Hawaiian is also subject to compliance and liquidity covenants under the Revolving Credit Facility.

As of December 31, 2014 the Company had no outstanding borrowing under the Revolving Credit Facility.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Schedule of Maturities of Long-Term Debt

As of December 31, 2014, the scheduled maturities of long-term debt are as follows (in thousands):

2015	\$151,722
2016	82,861
2017	82,092
2018	87,425
2019	99,070
Thereafter	449,317
	\$952,487

9. Leases

As of December 31, 2014, the Company had lease contracts for 16 of its 50 aircraft. Of the 16 lease contracts, 3 aircraft lease contracts were accounted for as capital leases, with the remaining 13 lease contracts accounted for as operating leases. These aircraft leases have remaining lease terms ranging from approximately 1 to 11 years.

As of December 31, 2014, the scheduled future minimum rental payments under capital leases and operating leases with noncancelable basic terms of more than one year are as follows:

	Capital Leases		Operating Leases	
	Aircraft	Other	Aircraft	Other
	(in thousands)			
2015	\$13,705	\$1,190	\$102,972	\$5,228
2016	13,803	1,223	86,260	5,104
2017	13,803	1,180	81,988	4,404
2018	13,803	1,280	81,238	4,268
2019	13,803	1,412	81,094	3,922
Thereafter	45,742	9,279	171,662	22,335
	114,659	15,564	\$605,214	\$45,261
Less amounts representing interest	(24,379)	(4,104)		
Present value of minimum capital lease payments	\$90,280	\$11,460		

10. Income Taxes

The significant components of income tax expense are as follows:

	Years Ended December 31,		
	2014	2013	2012
	(in thousands)		
Current			
Federal	\$—	\$—	\$—
State	1,437	450	1,216
	1,437	450	1,216
Deferred			
Federal	\$38,865	\$30,542	\$27,936
State	4,219	3,564	3,397
	43,084	34,106	31,333
Income tax expense	\$44,521	\$34,556	\$32,549

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

The income tax expense differed from amounts computed at the statutory federal income tax rate as follows:

	Years Ended December 31,		
	2014	2013	2012
	(in thousands)		
Income tax expense computed at the statutory federal rate	\$39,707	\$30,243	\$30,025
Increase (decrease) resulting from:			
State income taxes, net of federal tax effect	3,677	2,631	2,999
Nondeductible meals	925	971	910
Other	212	711	(1,385)
Income tax expense	\$44,521	\$34,556	\$32,549

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income (including the reversal of deferred tax liabilities) during the periods in which those deferred tax assets will become deductible. The Company's management assesses the realizability of its deferred tax assets, and records a valuation allowance when it is more likely than not that a portion, or all, of the deferred tax assets will not be realized. As result of the Company's assessment, a valuation allowance was not recorded as of December 31, 2014.

The components of the Company's deferred tax assets and liabilities were as follows:

	December 31,	
	2014	2013
	(in thousands)	
Deferred tax assets:		
Accumulated pension and other postretirement benefits	\$155,353	\$100,907
Leases	7,674	7,009
Air traffic liability	11,951	10,390
Federal and state net operating loss carryforwards	122,134	91,911
Alternative minimum tax credit carryforwards	5,913	7,447
Other assets	43,137	24,782
Total deferred tax assets	\$346,162	\$242,446
Deferred tax liabilities:		
Intangible assets	\$(8,056)	\$(9,050)
Plant and equipment, principally accelerated depreciation	(358,717)	(252,902)
Other liabilities	925	(4,119)
Total deferred tax liabilities	(365,848)	(266,071)
Net deferred tax liability	\$(19,686)	\$(23,625)

As of December 31, 2014, the Company had available for federal income tax purposes an alternative minimum tax credit carryforward of approximately \$5.9 million, which is available for an indefinite period, and federal and state net operating loss carryforwards of \$365.8 million. The tax benefit of the net operating loss carryforwards as of December 31, 2014 was \$122.1 million, substantially all of which will not begin to expire until 2031.

In accordance with ASC 740, the Company reviews its uncertain tax positions on an ongoing basis. As of December 31, 2014, and 2013, the Company had no unrecognized tax benefits related to uncertain tax positions.

The Company records interest and penalties relating to unrecognized tax benefits in other nonoperating expense in its Consolidated Statements of Operations.

The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. The Company's federal income tax returns for tax years 2012 and beyond remain subject to examination by the Internal Revenue Service.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

11. Employee Benefit Plans

Defined Benefit Plans

Hawaiian sponsors various defined benefit pension plans covering the Air Line Pilots Association, International Association of Machinists and Aerospace Workers (AFL-CIO) (IAM) and other personnel (salaried, Transport Workers Union, Network Engineering Group). The plans for the IAM and other employees were frozen in September 1993. Effective January 1, 2008, benefit accruals for pilots under age 50 as of July 1, 2005 were frozen (with the exception of certain pilots who were both age 50 and older and participants of the plan on July 1, 2005) and Hawaiian began making contributions to an alternate defined contribution retirement program for its pilots. All of the pilots' accrued benefits under their defined benefit plan at the date of the freeze were preserved. In addition, Hawaiian sponsors four unfunded defined benefit postretirement medical and life insurance plans and a separate plan to administer the pilots' disability benefits.

The following tables summarize changes to projected benefit obligations, plan assets, funded status and applicable amounts included in the Consolidated Balance Sheets:

	2014		2013	
	Pension	Other	Pension	Other
	(in thousands)			
Change in benefit obligations				
Benefit obligations, beginning of year	\$(397,209)	) \$(154,864	) \$(421,884	) \$(183,944)
Service cost	(1,359)	) (10,868	) (2,555	) (13,596)
Interest cost	(19,125)	) (8,527	) (17,389	) (7,888)
Actuarial gains (losses)	(84,723)	) (42,964	) 25,213	47,296
Benefits paid	22,205	3,736	19,406	3,319
less: federal subsidy on benefits paid	N/A	(58	) N/A	(51)
Plan amendments	—	(2,453) —	—
Benefit obligation at end of year(a)	\$(480,211	) \$(215,998	) \$(397,209	) \$(154,864)
Change in plan assets				
Fair value of assets, beginning of year	\$270,005	\$15,129	\$238,134	\$12,418
Actual return on plan assets	13,855	695	35,344	766
Employer contribution	6,159	5,577	15,933	5,264
Benefits paid	(22,205)	) (3,736	) (19,406	) (3,319)
Fair value of assets at end of year	\$267,814	\$17,665	\$270,005	\$15,129
Unfunded status at December 31,	\$(212,397	) \$(198,333	) \$(127,204	) \$(139,735)
Amounts recognized in the statement of financial position consist of:				
Current benefit liability	\$(18	) \$(2,848	) \$(17	) \$(2,816)
Noncurrent benefit liability	(212,379	) (195,485	) (127,187	) (136,919)
	\$(212,397	) \$(198,333	) \$(127,204	) \$(139,735)
Amounts recognized in other comprehensive loss				
Unamortized actuarial loss	\$145,823	\$50,078	\$57,265	\$6,435
Prior service cost (credit)	(53	) 2,203	(55	) (22)
	\$145,770	\$52,281	\$57,210	\$6,413

(a) The accumulated pension benefit obligation as of December 31, 2014 and 2013 was \$475.4 million and \$391.5 million, respectively.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

The following table sets forth the net periodic benefit cost:

	2014		2013		2012	
	Pension	Other	Pension	Other	Pension	Other
	(in thousands)					
Components of Net Periodic Benefit Cost						
Service cost	\$1,359	\$10,868	\$2,555	\$13,596	\$2,723	\$11,152
Interest cost	19,125	8,527	17,389	7,888	18,993	8,548
Expected return on plan assets	(18,337)	(1,037)	(15,348)	(912)	(15,253)	(819)
Recognized net actuarial loss (gain)	645	(326)	6,246	2,414	4,653	2,717
Prior service cost (credit)	(2)	229	(2)	(2)	(2)	(2)
Net periodic benefit cost	\$2,790	\$18,261	\$10,840	\$22,984	\$11,114	\$21,596
Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Loss						
Current year actuarial (gain) loss	\$89,204	\$43,318	\$(45,209)	\$(47,143)	\$17,178	\$11,148
Current year prior service cost	—	2,453	—	—	—	—
Amortization of actuarial gain (loss)	(645)	326	(6,246)	(2,414)	(4,653)	(2,717)
Amortization of prior service cost (credit)	2	(229)	2	2	2	2
Total recognized in other comprehensive loss	\$88,561	\$45,868	\$(51,453)	\$(49,555)	\$12,527	\$8,433
Total recognized in net periodic benefit cost and other comprehensive loss	\$91,351	\$64,129	\$(40,613)	\$(26,571)	\$23,641	\$30,029

The weighted average actuarial assumptions used to determine the net periodic benefit expense and the projected benefit obligation were as follows:

	Pension		Postretirement		Disability	
	2014	2013	2014	2013	2014	2013
Discount rate to determine net periodic benefit expense	5.01 %	4.10 %	5.21 %	4.24 %	4.99 %	4.06 %
Discount rate to determine projected benefit obligation	4.19 %	5.01 %	4.30 %	5.21 %	4.16 %	4.99 %
Expected return on plan assets	6.92 %	6.55 %	N/A	N/A	5.92 %	6.15 %
Rate of compensation increase	Various+	Various+	N/A	N/A	Various+	Various+
Health care trend rate to determine net periodic benefit expense	N/A	N/A	8.00 %	8.00 %	N/A	N/A
Health care trend rate in 2019	N/A	N/A	4.75 %	4.75 %	N/A	N/A
Health care trend rate to determine projected benefit obligation	N/A	N/A	7.50 %	8.00 %	N/A	N/A
Health care trend rate in 2018	N/A	N/A	4.75 %	4.75 %	N/A	N/A

Differs for each pilot based on current fleet and seat position on the aircraft and seniority service. Negotiated salary + increases and expected changes in fleet and seat positions on the aircraft are included in the assumed rate of compensation increase which range from 1.8% to 6.5% in 2014 and 1.5% to 6.0% in 2013.

Expected return on plan assets used to determine the net periodic benefit expense for 2015 is 6.89% for Pension and 5.40% for Disability.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

In 2014, the Company adopted a new mortality rate table and mortality improvement scale to calculate its pension and other postretirement benefit obligations. The adoption of these mortality rates had the following effects:

	(in thousands)
Increase in pension obligation as of December 31, 2014	\$29,842
Increase in other postretirement benefit obligation as of December 31, 2014	20,757

A change in the assumed health care cost trend rates would have the following effects:

	100 Basis Point Increase (in thousands)	100 Basis Point Decrease
Effect on postretirement benefit obligation at December 31, 2014	\$43,228	\$(33,189)
Effect on total service and interest cost for the year ended December 31, 2014	3,897	(2,988)
Estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2015 are as follows:		

	Pension (in thousands)	Other
Actuarial loss	\$8,296	\$2,422
Amortization of prior service credit	(2)	(2)
To be recognized in net periodic benefit cost from accumulated other comprehensive loss	\$8,294	\$2,420

Plan Assets

The Company develops the expected long-term rate of return assumption based on historical experience and by evaluating input from the trustee managing the plan's assets, including the trustee's review of asset class return expectations by several consultants and economists, as well as long-term inflation assumptions. The Company's expected long-term rate of return on plan assets is based on a target allocation of assets, which is based on the goal of earning the highest rate of return while maintaining risk at acceptable levels. The plan strives to have assets sufficiently diversified so that adverse or unexpected results from any one security class will not have an unduly detrimental impact on the entire portfolio. The actual allocation of our pension and disability plan assets and the target allocation of assets by category at December 31, 2014 are as follows:

	Asset Allocation			
	2014		Target	
Equity securities	59	%	60	%
Fixed income securities	36	%	35	%
Real estate investment trusts	5	%	5	%
	100	%	100	%

As discussed in Note 5, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 ~~Observable~~ inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2 ~~Observable~~ inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term for the assets or liabilities; and
- Level 3 ~~Unobservable~~ inputs in which there is little or no market data and that are significant to the fair value of the assets or liabilities.

The table below presents the Company's pension plan and other postretirement plan investments (excluding cash and receivables):

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

	Fair Value Measurements as of December 31, 2014			
	Total (in thousands)	Level 1	Level 2	Level 3
Pension Plan Assets:				
Equity index funds	\$ 159,299	\$—	\$ 159,299	\$—
Fixed income funds	92,801	—	92,801	—
Real estate investment fund	13,154	—	13,154	—
Insurance company pooled separate account	2,113	—	2,113	—
Total	\$ 267,367	\$—	\$ 267,367	\$—
Postretirement Assets:				
Common collective trust fund	\$ 17,565	\$—	\$ 17,565	\$—
	Fair Value Measurements as of December 31, 2013			
	Total (in thousands)	Level 1	Level 2	Level 3
Pension Plan Assets:				
Cash equivalents	\$ 164	\$ 164	\$—	\$—
Common stock	2	2	—	—
Equity index funds	160,286	—	160,286	—
Fixed income funds	89,086	—	89,086	—
Real estate investment fund	12,237	—	12,237	—
Insurance company pooled separate account	1,281	—	1,281	—
Total	\$ 263,056	\$ 166	\$ 262,890	\$—
Postretirement Assets:				
Common collective trust fund	\$ 15,063	\$—	\$ 15,063	\$—

Equity index funds. The investment objective of these funds are to obtain a reasonable rate of return while investing principally or entirely in foreign or domestic equity securities. There are currently no redemption restrictions on these investments. The fair value of the investments in this category has been estimated using the net asset value per share.

Fixed income funds. The investment objective of these funds are to obtain a reasonable rate of return while principally investing in foreign and domestic bonds, mortgage-backed securities, and asset-backed securities. There are currently no redemption restrictions on these investments. The fair value of the investments in this category has been estimated using the net asset value per share.

Real estate investment fund. The investment objective of this fund is to obtain a reasonable rate of return while principally investing in real estate investment trusts. There are currently no redemption restrictions on these investments. The fair value of the investments in this category has been estimated using the net asset value per share.

Insurance Company Pooled Separate Account. The investment objective of the Insurance Company Pooled Separate Account is to invest in short-term cash equivalent securities to provide a high current income consistent with the preservation of principal and liquidity. The fair value of the investments in this category has been estimated using the net asset value per share.

Common collective trust (CCT). The postretirement plan's CCT investment consists of a balanced profile fund and a conservative profile fund. These funds primarily invest in mutual funds and exchange-traded funds. The balanced profile fund is designed for participating trusts that seek substantial capital growth, place modest emphasis on short-term stability, have long-term investment objectives, and accept short-term volatility in the value of the fund's portfolio. The conservative profile fund is designed for participating trusts that place modest emphasis on capital growth, place moderate emphasis on short-term stability, have intermediate-to-long-term investment objectives, and accept moderate short-term volatility in the value of the fund's portfolio. There are currently no redemption restrictions on these investments. The fair value of the investments in this category has been estimated using the net asset value per share.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Based on current legislation and current assumptions, the minimum required contribution that the Company is required to make to Hawaiian's defined benefit pension plans and disability plan during 2015 is \$5.1 million. The Company projects that Hawaiian's pension plans and other postretirement benefit plans will make the following benefit payments, which reflect expected future service, during the years ending December 31:

	Pension Benefits (in thousands)	Other Benefits	
		Gross	Expected Federal Subsidy
2015	\$21,967	\$3,982	\$(54)
2016	23,341	4,674	(61)
2017	24,705	5,355	(70)
2018	26,014	6,068	(80)
2019	27,171	6,859	(90)
2020 - 2022	145,159	47,521	(643)
	\$268,357	\$74,459	\$(998)

Defined Contribution Plans

The Company also sponsors separate defined contribution plans for its pilots, flight attendants and ground and salaried personnel. Contributions to the Company's defined contribution plans were \$27.3 million, \$25.1 million and \$21.3 million for the years ended December 31, 2014, 2013 and 2012, respectively.

12. Capital Stock and Share-based Compensation**Common Stock**

The Company has one class of common stock issued and outstanding. Each share of common stock is entitled to one vote per share.

No dividends were paid by the Company during the years ended December 31, 2014, 2013 or 2012. Provisions in certain of the Company's aircraft lease agreements restrict the Company's ability to pay dividends.

Special Preferred Stock

The IAM, AFA, and ALPA each hold one share of Special Preferred Stock, which entitles each union to nominate one director to the Company's Board of Directors. In addition, each series of the Special Preferred Stock, unless otherwise specified: (i) ranks senior to the Company's common stock and ranks pari passu with each other series of Special Preferred Stock with respect to liquidation, dissolution and winding up of the Company and will be entitled to receive \$0.01 per share before any payments are made, or assets distributed to holders of any stock ranking junior to the Special Preferred Stock; (ii) has no dividend rights unless a dividend is declared and paid on the Company's common stock, in which case the Special Preferred Stock would be entitled to receive a dividend in an amount per share equal to two times the dividend per share paid on the common stock; (iii) is entitled to one vote per share of such series and votes with the common stock as a single class on all matters submitted to holders of the Company's common stock; and (iv) automatically converts into the Company's common stock on a 1:1 basis, at such time as such shares are transferred or such holders are no longer entitled to nominate a representative to the Company's Board of Directors pursuant to their respective collective bargaining agreements.

Share-Based Compensation

Total share-based compensation expense recognized by the Company under ASC 718 was \$6.7 million, \$4.6 million and \$3.4 million for the years ended December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, \$7.8 million of share-based compensation expense related to unvested stock options and other stock awards (inclusive of \$0.3 million for stock options and other stock awards granted to non-employee directors) is attributable to future performance and has not yet been recognized. The related expense will be recognized over a weighted average period of approximately 1.1 years.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Stock Options

The aggregate intrinsic value of stock options outstanding as of December 31, 2014 and 2013 was \$7.6 million and \$9.7 million, respectively. The aggregate intrinsic value of stock options exercisable as of December 31, 2014 and 2013 was \$7.5 million and \$9.7 million, respectively. The intrinsic value of stock options exercised during the year ended December 31, 2014, 2013 and 2012 was \$15.9 million, \$2.7 million and \$0.4 million, respectively.

Performance-Based Stock Awards

During 2014, the Company granted performance-based stock awards covering 348,009 shares of Company Common Stock (the Target Award) with a maximum payout of 598,690 shares of Common Stock (the Maximum Award) to employees pursuant to the Company's 2005 Stock Incentive Plan. These awards vest over a period of three years. The Company valued the performance-based stock awards using grant date fair values equal to the Company's share price on the measurement date.

The following table summarizes information about performance-based stock awards:

	Number of units	Weighted average grant date fair value
Non-vested at December 31, 2013	1,142,592	\$5.88
Granted during the period	348,009	10.04
Vested during the period	(353,344)	) 5.89
Forfeited during the period	(133,628)	) 6.89
Non-vested at December 31, 2014	1,003,629	\$7.19

Time-Based Stock Awards

During 2014, the Company awarded 337,333 time-based stock awards to employees and non-employee directors, pursuant to the Company's 2005 Stock Incentive Plan. These stock awards vest over a period of one to three years and have a grant date fair value equal to the Company's share price on the measurement date.

The following table summarizes information about outstanding time-based stock awards:

	Number of units	Weighted average grant date fair value
Non-vested at December 31, 2013	560,898	\$5.86
Granted during the period	337,333	12.50
Vested during the period	(376,408)	) 7.04
Forfeited during the period	(83,862)	) 7.40
Non-vested at December 31, 2014	437,961	\$9.66

13. Commitments and Contingent Liabilities**Commitments**

The Company has operating commitments with a third-party to provide aircraft maintenance services which include fixed payments as well as variable payments based on flight hours for our Airbus fleet through 2027. The Company also has operating commitments with third-party service providers for reservations, IT, and accounting services through 2024.

Committed capital and operating expenditures include escalation and variable amounts based on estimated forecasts. The gross committed expenditures for upcoming aircraft deliveries and committed financings for those deliveries for the next five years and thereafter are detailed below:

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

	Capital	Operating	Total Committed Expenditures	Less: Committed Financing for Upcoming Aircraft Deliveries*	Net Committed Expenditures
	(in thousands)				
2015	\$203,156	\$70,003	\$273,159	\$181,190	\$91,969
2016	67,381	57,911	125,292	—	125,292
2017	234,250	57,714	291,964	—	291,964
2018	411,406	51,019	462,425	—	462,425
2019	497,018	46,669	543,687	—	543,687
Thereafter	434,841	264,037	698,878	—	698,878
	\$1,848,052	\$547,353	\$2,395,405	\$181,190	\$2,214,215

* See below for a detailed discussion of the committed financings Hawaiian has received for its upcoming capital commitments for aircraft deliveries.

A330-800neo and Rolls-Royce Agreements

In December 2014, Hawaiian entered into an amendment (the "Purchase Agreement Amendment") to the Airbus A330/A350WXB Purchase Agreement to convert its order for six firm A350XWB-800 aircraft with an additional six purchase rights into an order for six firm A330-800neo aircraft with an additional four options and two purchase rights. The Purchase Agreement Amendment provides for delivery, subject to certain flexibility rights, of six A330-800neo aircraft starting in 2019. The aircraft will be powered by Rolls-Royce Trent 7000 engines.

In December 2014, Hawaiian entered into a General Terms Agreement with Rolls-Royce for the supply of products and services in support of the Trent 7000 engines to be installed on the Airbus A330-800neo aircraft. The General Terms Agreement includes the terms for the supply of spare engines, product warranties and performance guarantees. The General Terms Agreement also includes the provision of TotalCare maintenance for the engines while in service with Hawaiian.

Purchase Assignment and Lease Financing Agreement

In December 2014, Hawaiian entered into an agreement with a third-party aircraft lessor for the purchase assignment and leaseback of three Airbus A330-200 aircraft scheduled for delivery in 2015 with total committed lease financing of \$181 million. Both the gross capital commitment for the cost of the aircraft and the committed financing are reflected in the table above. The agreement has an initial lease term of 12 years and fixed monthly rental payments that will be determined upon delivery of the aircraft.

The anticipated future minimum payments for this lease are \$16.2 million in 2015, \$25.3 million in each of the years 2016 through 2019, and \$186.3 million thereafter.

Litigation and Contingencies

The Company is subject to legal proceedings arising in the normal course of its operations. Management does not anticipate that the disposition of any currently pending proceeding will have a material effect on the Company's operations, business or financial condition.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

General Guarantees and Indemnifications

In the normal course of business, the Company enters into numerous aircraft financing and real estate leasing arrangements that have various guarantees included in the contract. It is common in such lease transactions for the lessee to agree to indemnify the lessor and other related third-parties for tort liabilities that arise out of or relate to the lessee's use of the leased aircraft or occupancy of the leased premises. In some cases, this indemnity extends to related liabilities arising from the negligence of the indemnified parties, but usually excludes any liabilities caused by their gross negligence or willful misconduct. Additionally, the lessee typically indemnifies such parties for any environmental liability that arises out of or relates to its use of the real estate leased premises. The Company believes that it is insured (subject to deductibles) for most tort liabilities and related indemnities described above with respect to the aircraft and real estate that it leases. The Company cannot estimate the potential amount of future payments, if any, under the foregoing indemnities and agreements.

Credit Card Holdback

Under the Company's bank-issued credit card processing agreements, certain proceeds from advance ticket sales may be held back to serve as collateral to cover any possible chargebacks or other disputed charges that may occur. These holdbacks, which are included in restricted cash in the Company's Consolidated Balance Sheets, totaled \$5.0 million at December 31, 2014 and 2013.

In the event of a material adverse change in the business, the holdback could increase to an amount up to 100% of the applicable credit card air traffic liability, which would also cause an increase in the level of restricted cash.

14. Geographic Information

The Company's primary operations are that of its wholly-owned subsidiary, Hawaiian. Principally all operations of Hawaiian either originate and/or end in the State of Hawai'i. The management of such operations is based on a system-wide approach due to the interdependence of Hawaiian's route structure in its various markets. As Hawaiian offers only one significant line of business (i.e., air transportation), management has concluded that it has only one segment.

The Company's operating revenues by geographic region (as defined by the Department of Transportation, DOT) are summarized below:

	Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Domestic	\$1,683,487	\$1,493,295	\$1,378,498
Pacific	631,392	662,570	583,855
Total operating revenue	\$2,314,879	\$2,155,865	\$1,962,353

Hawaiian attributes operating revenue by geographic region based upon the origin and destination of each flight segment. Hawaiian's tangible assets consist primarily of flight equipment, which are mobile across geographic markets, and, therefore, have not been allocated to specific geographic regions.

15. Supplemental Cash Flow Information

Supplemental disclosures of cash flow information and non-cash investing and financing activities were as follows:

	Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Cash payments for interest (net of amounts capitalized)	\$42,242	\$36,574	\$35,153
Cash payments (refunds) for income taxes	(1,882)	) 2	(16,913)
Investing and Financing Activities Not Affecting Cash:			
Property and equipment acquired through a capital lease	—	11,840	111,921

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

16. Condensed Consolidating Financial Information

The following condensed consolidating financial information is presented in accordance with Regulation S-X paragraph 210.3-10 because, in connection with the issuance by two pass-through trusts formed by Hawaiian (which is also referred to in this Note 16 as Subsidiary Issuer / Guarantor) of pass-through certificates, as discussed in Note 8, the Company (which is also referred to in this Note 16 as Parent Issuer / Guarantor), is fully and unconditionally guaranteeing the payment obligations of Hawaiian, which is a 100% owned subsidiary of the Company, under equipment notes to be issued by Hawaiian to purchase new aircraft.

Condensed consolidating financial statements are presented in the following tables:

Condensed Consolidating Statements of Operations and Comprehensive Loss

Year Ended December 31, 2014

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating Revenue	\$—	\$2,311,200	\$ 4,029	\$(350)	\$2,314,879
Operating Expenses:					
Aircraft fuel, including taxes and delivery	—	678,253	—	—	678,253
Wages and benefits	—	447,446	—	—	447,446
Aircraft rent	—	106,422	—	—	106,422
Maintenance materials and repairs	—	223,783	1,836	—	225,619
Aircraft and passenger servicing	—	122,780	—	—	122,780
Commissions and other selling	49	122,480	76	(87)	122,518
Depreciation and amortization	—	94,146	2,228	—	96,374
Other rentals and landing fees	5	87,897	—	—	87,902
Other	5,258	176,466	972	(263)	182,433
Total	5,312	2,059,673	5,112	(350)	2,069,747
Operating Income (Loss)	(5,312)	251,527	(1,083)	—	245,132
Nonoperating Income (Expense):					
Undistributed net income of subsidiaries	78,702	—	—	(78,702)	—
Interest expense and amortization of debt discounts and issuance costs	(8,894)	(55,346)	—	—	(64,240)
Interest income	185	1,499	—	—	1,684
Capitalized interest	—	8,024	—	—	8,024
Losses on fuel derivatives	—	(63,471)	—	—	(63,471)
Other, net	(1,433)	(12,249)	—	—	(13,682)
Total	68,560	(121,543)	—	(78,702)	(131,685)
Income (Loss) Before Income Taxes	63,248	129,984	(1,083)	(78,702)	113,447
Income tax expense (benefit)	(5,678)	50,199	—	—	44,521
Net Income (Loss)	\$68,926	\$79,785	\$ (1,083)	\$(78,702)	\$68,926
Comprehensive Loss	\$(11,200)	\$(341)	\$(1,083)	\$1,424	\$(11,200)

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statements of Operations and Comprehensive Income

Year Ended December 31, 2013

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating Revenue	\$—	\$2,155,554	\$ 647	\$(336)	\$2,155,865
Operating Expenses:					
Aircraft fuel, including taxes and delivery	—	698,802	—	—	698,802
Wages and benefits	—	427,438	—	—	427,438
Aircraft rent	—	108,534	—	—	108,534
Maintenance materials and repairs	—	203,387	—	—	203,387
Aircraft and passenger servicing	—	120,635	—	—	120,635
Commissions and other selling	—	125,962	—	(62)	125,900
Depreciation and amortization	—	83,050	—	—	83,050
Other rentals and landing fees	—	81,317	—	—	81,317
Other	7,772	165,101	456	(274)	173,055
Total	7,772	2,014,226	456	(336)	2,022,118
Operating Income (Loss)	(7,772)	141,328	191	—	133,747
Nonoperating Income (Expense):					
Undistributed net income of subsidiaries	62,549	—	—	(62,549)	—
Interest expense and amortization of debt discounts and issuance costs	(8,710)	(41,743)	—	—	(50,453)
Interest income	132	507	—	—	639
Capitalized interest	—	12,625	—	—	12,625
Losses on fuel derivatives	—	(5,334)	—	—	(5,334)
Other, net	—	(4,814)	—	—	(4,814)
Total	53,971	(38,759)	—	(62,549)	(47,337)
Income Before Income Taxes	46,199	102,569	191	(62,549)	86,410
Income tax expense (benefit)	(5,655)	40,211	—	—	34,556
Net Income	\$51,854	\$62,358	\$ 191	\$(62,549)	\$51,854
Comprehensive Income	\$123,222	\$133,726	\$ 191	\$(133,917)	\$123,222

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statements of Operations and Comprehensive Income (Loss)

Year Ended December 31, 2012

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Operating Revenue	\$—	\$1,962,571	\$ 41	\$(259)	\$1,962,353
Operating Expenses:					
Aircraft fuel, including taxes and delivery	—	631,741	—	—	631,741
Wages and benefits	—	376,574	—	—	376,574
Aircraft rent	—	98,786	—	—	98,786
Maintenance materials and repairs	—	183,552	—	—	183,552
Aircraft and passenger servicing	—	103,825	—	—	103,825
Commissions and other selling	—	114,366	—	(42)	114,324
Depreciation and amortization	—	85,599	—	—	85,599
Other rentals and landing fees	—	85,623	—	—	85,623
Other	4,712	148,300	136	(217)	152,931
Total	4,712	1,828,366	136	(259)	1,832,955
Operating Income (Loss)	(4,712)	134,205	(95)	—	129,398
Nonoperating Income (Expense):					
Undistributed net income of subsidiaries	61,388	—	—	(61,388)	—
Interest expense and amortization of debt discounts and issuance costs	(8,330)	(35,192)	—	—	(43,522)
Interest income	114	466	—	—	580
Capitalized interest	—	10,524	—	—	10,524
Losses on fuel derivatives	—	(11,330)	—	—	(11,330)
Other, net	—	136	—	—	136
Total	53,172	(35,396)	—	(61,388)	(43,612)
Income (Loss) Before Income Taxes	48,460	98,809	(95)	(61,388)	85,786
Income tax expense (benefit)	(4,777)	37,326	—	—	32,549
Net Income (Loss)	\$53,237	\$61,483	\$ (95)	\$(61,388)	\$53,237
Comprehensive Income (Loss)	\$41,523	\$49,769	\$ (95)	\$(49,674)	\$41,523

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Balance Sheets

December 31, 2014

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	\$79,532	\$179,676	\$ 4,879	\$—	\$264,087
Restricted cash	—	6,566	—	—	6,566
Short-term investments	—	260,121	—	—	260,121
Accounts receivable, net	63	80,289	531	(146)	80,737
Spare parts and supplies, net	—	18,011	—	—	18,011
Deferred tax assets, net	—	21,943	—	—	21,943
Prepaid expenses and other	12	53,281	89	—	53,382
Total	79,607	619,887	5,499	(146)	704,847
Property and equipment at cost	—	2,006,274	34,726	—	2,041,000
Less accumulated depreciation and amortization	—	(365,279)	(2,228)	—	(367,507)
Property and equipment, net	—	1,640,995	32,498	—	1,673,493
Long-term prepayments and other	537	95,688	—	—	96,225
Restricted cash	—	—	—	—	—
Deferred tax assets, net	20,556	—	—	(20,556)	—
Goodwill and other intangible assets, net	—	127,963	—	—	127,963
Intercompany receivable	—	15,081	—	(15,081)	—
Investment in consolidated subsidiaries	351,391	—	—	(351,391)	—
TOTAL ASSETS	\$452,091	\$2,499,614	\$ 37,997	\$(387,174)	\$2,602,528
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$514	\$96,196	\$ 696	\$(146)	\$97,260
Air traffic liability	—	421,547	2,789	—	424,336
Other accrued liabilities	1,686	140,088	145	—	141,919
Current maturities of long-term debt, less discount, and capital lease obligations	66,530	89,819	—	—	156,349
Total	68,730	747,650	3,630	(146)	819,864
Long-term debt and capital lease obligations	—	893,288	—	—	893,288
Intercompany payable	15,081	—	—	(15,081)	—
Other liabilities and deferred credits:					
Accumulated pension and other postretirement benefit obligations.	—	407,864	—	—	407,864
Other liabilities and deferred credits	1,047	70,853	750	—	72,650
Deferred tax liabilities, net	—	62,185	—	(20,556)	41,629
Total	1,047	540,902	750	(20,556)	522,143
Shareholders' equity	367,233	317,774	33,617	(351,391)	367,233
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$452,091	\$2,499,614	\$ 37,997	\$(387,174)	\$2,602,528

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Balance Sheets

December 31, 2013

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets:					
Cash and cash equivalents	\$84,797	\$333,663	\$ 4,924	\$—	\$423,384
Restricted cash	—	19,434	—	—	19,434
Accounts receivable, net	1,192	73,241	31	(219)	74,245
Spare parts and supplies, net	—	19,767	—	—	19,767
Deferred tax assets, net	—	17,325	—	—	17,325
Prepaid expenses and other	—	51,613	39	—	51,652
Total	85,989	515,043	4,994	(219)	605,807
Property and equipment at cost	—	1,629,517	31,917	—	1,661,434
Less accumulated depreciation and amortization	—	(327,102)	—	—	(327,102)
Property and equipment, net	—	1,302,415	31,917	—	1,334,332
Long-term prepayments and other	1,171	90,782	—	—	91,953
Restricted cash	—	1,566	—	—	1,566
Deferred tax assets, net	14,767	—	—	(14,767)	—
Goodwill and other intangible assets, net	—	130,603	—	—	130,603
Intercompany receivable	25,286	—	—	(25,286)	—
Investment in consolidated subsidiaries	348,040	—	—	(348,040)	—
TOTAL ASSETS	\$475,253	\$2,040,409	\$ 36,911	\$(388,312)	\$2,164,261
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	\$532	\$88,990	\$ 484	\$(219)	\$89,787
Air traffic liability	—	407,359	1,727	—	409,086
Other accrued liabilities	1,307	96,264	—	—	97,571
Current maturities of long-term debt and capital lease obligations	—	62,187	—	—	62,187
Total	1,839	654,800	2,211	(219)	658,631
Long-term debt, less discount, and capital lease obligations	76,550	667,736	—	—	744,286
Intercompany payable	—	25,286	—	(25,286)	—
Other liabilities and deferred credits:					
Accumulated pension and other postretirement benefit obligations.	—	264,106	—	—	264,106
Other liabilities and deferred credits	—	59,424	—	—	59,424
Deferred tax liabilities, net	—	55,717	—	(14,767)	40,950
Total	—	379,247	—	(14,767)	364,480
Shareholders' equity	396,864	313,340	34,700	(348,040)	396,864
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$475,253	\$2,040,409	\$ 36,911	\$(388,312)	\$2,164,261

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2014

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Cash Provided By (Used In) Operating Activities:	\$ (8,303)	\$ 305,969	\$ 2,764	\$—	\$ 300,430
Cash Flows From Investing Activities:					
Net payments from subsidiaries	38,791	—	—	(38,791)	—
Additions to property and equipment, including pre-delivery deposits	—	(439,420)	(2,809)	—	(442,229)
Net proceeds from disposition of equipment	—	16,953	—	—	16,953
Purchases of investments	—	(458,592)	—	—	(458,592)
Sales of investments	—	197,046	—	—	197,046
Net cash provided by (used in) investing activities	38,791	(684,013)	(2,809)	(38,791)	(686,822)
Cash Flows From Financing Activities:					
Proceeds from exercise of stock options	7,001	—	—	—	7,001
Long-term borrowings	—	368,430	—	—	368,430
Repayments of long-term debt and capital lease obligations	(42,754)	(115,246)	—	—	(158,000)
Debt issuance costs	—	(1,519)	—	—	(1,519)
Net payments to parent company	—	(38,791)	—	38,791	—
Change in cash collateral for EETC financing	—	14,434	—	—	14,434
Other	—	(3,251)	—	—	(3,251)
Net cash provided by (used in) financing activities	(35,753)	224,057	—	38,791	227,095
Net decrease in cash and cash equivalents	(5,265)	(153,987)	(45)	—	(159,297)
Cash and cash equivalents—Beginning of Period	4,797	333,663	4,924	—	423,384
Cash and cash equivalents—End of Period	\$ 79,532	\$ 179,676	\$ 4,879	\$—	\$ 264,087

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2013

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Cash Provided By (Used In) Operating Activities:	\$ (8,088)	\$ 251,260	\$ 98	\$—	\$ 243,270
Cash Flows From Investing Activities:					
Net payments from subsidiaries	6,883	—	—	(6,883)	—
Additions to property and equipment, including pre-delivery deposits	—	(328,767)	(13,461)	—	(342,228)
Net proceeds from disposition of equipment	—	14,414	—	—	14,414
Net cash provided by (used in) investing activities	6,883	(314,353)	(13,461)	(6,883)	(327,814)
Cash Flows From Financing Activities:					
Proceeds from exercise of stock options	2,376	—	—	—	2,376
Long-term borrowings	—	243,110	—	—	243,110
Repayments of long-term debt and capital lease obligations	—	(113,592)	—	—	(113,592)
Debt issuance costs	—	(13,846)	—	—	(13,846)
Net payments to parent company	—	(6,883)	—	6,883	—
Change in cash collateral for EETC financing	—	(16,000)	—	—	(16,000)
Net cash provided by financing activities	2,376	92,789	—	6,883	102,048
Net increase (decrease) in cash and cash equivalents	1,171	29,696	(13,363)	—	17,504
Cash and cash equivalents—Beginning of Period	38,626	303,967	18,287	—	405,880
Cash and cash equivalents—End of Period	\$ 84,797	\$ 333,663	\$ 4,924	\$—	\$ 423,384

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

Condensed Consolidating Statements of Cash Flows

Year Ended December 31, 2012

	Parent Issuer / Guarantor (in thousands)	Subsidiary Issuer / Guarantor	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Cash Provided By Operating Activities:	\$10,669	\$299,845	\$ 503	\$—	\$311,017
Cash Flows From Investing Activities:					
Net payments to subsidiaries	(25,750	) —	—	25,750	—
Additions to property and equipment, including pre-delivery deposits	—	(272,243	) (18,456	) —	(290,699)
Net cash used in investing activities	(25,750	) (272,243	) (18,456	) 25,750	(290,699)
Cash Flows From Financing Activities:					
Proceeds from exercise of stock options	1,488	—	—	—	1,488
Long-term borrowings	—	133,000	—	—	133,000
Repayments of long-term debt and capital lease obligations	—	(49,129	) —	—	(49,129)
Debt issuance costs	—	(3,828	) —	—	(3,828)
Net payments from (to) parent company	—	(9,250	) 35,000	(25,750) —
Other	—	(84	) —	—	(84)
Net cash provided by financing activities	1,488	70,709	35,000	(25,750	) 81,447
Net increase (decrease) in cash and cash equivalents	(13,593	) 98,311	17,047	—	101,765
Cash and cash equivalents—Beginning of Period	\$7,219	205,656	1,240	—	304,115
Cash and cash equivalents—End of Period	\$83,626	\$303,967	\$ 18,287	\$—	\$405,880

Certain Restrictions on Subsidiary Distributions, Dividends and Repurchases

The Company and Hawaiian are party to a Credit and Guaranty Agreement (Credit Agreement), dated as of November 7, 2014, that provides for a Revolving Credit Facility. See further discussion of the Revolving Credit Facility at Note 8. Pursuant to the terms of the Credit Agreement, neither Hawaiian nor any other subsidiary of the Company will directly or indirectly declare or pay any dividend, or purchase, redeem or otherwise acquire or retire for value any equity interests of the Company unless certain conditions are met.

Long-Term Debt

The long-term debt included in the Parent Issuer / Guarantor column represents the Convertible Notes described in Note 8.

Income Taxes

The income tax expense (benefit) is presented as if each entity that is part of the consolidated group files a separate return.

Table of Contents

Hawaiian Holdings, Inc.

Notes to Consolidated Financial Statements (Continued)

17. Supplemental Financial Information (unaudited)

Unaudited Quarterly Financial Information:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in thousands, except per share data)			
2014:				
Operating revenue	\$524,858	\$575,720	\$639,462	\$574,839
Operating income	10,037	51,594	106,169	77,332
Nonoperating loss	(18,329)	) (6,615	) (47,805	) (58,936
Net income (loss)	(5,075)	) 27,327	35,575	11,099
Net Income (Loss) Per Common Stock Share:				
Basic	\$(0.10)	) \$0.51	\$0.66	\$0.20
Diluted	(0.10)	) 0.43	0.56	0.17
2013:				
Operating revenue	\$490,754	\$533,928	\$599,298	\$531,885
Operating income (loss)	(11,926)	) 37,391	74,434	33,848
Nonoperating loss	(15,453)	) (19,176	) (7,016	) (5,692
Net income (loss)	(17,145)	) 11,316	40,604	17,079
Net Income (Loss) Per Common Stock Share:				
Basic	\$(0.33)	) \$0.22	\$0.78	\$0.33
Diluted	(0.33)	) 0.21	0.76	0.31

The sum of the quarterly net income (loss) per common stock share amounts does not equal the annual amount reported since per share amounts are computed independently for each quarter and for the full year based on respective weighted-average common shares outstanding and other dilutive potential common shares.

The Company's quarterly financial results are subject to seasonal fluctuations. Historically its second and third quarter financial results, which reflect periods of higher travel demand, are better than its first and fourth quarter financial results.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES.

Management's Evaluation of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), performed an evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures were effective as of December 31, 2014, and provide reasonable assurance that the information required to be disclosed by the Company in reports it files under the Securities Exchange Act of 1934, as amended (the Exchange Act), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and is accumulated and communicated to our management, including our CEO and CFO, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Table of Contents

Under the supervision and with the participation of our management, including our CEO and CFO, an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2014 was conducted. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013 framework). Based on their assessment, we concluded that, as of December 31, 2014, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. We reviewed the results of management's assessment with the Audit Committee of our Board of Directors.

The effectiveness of our internal control over financial reporting as of December 31, 2014, has been audited by Ernst & Young LLP, the independent registered public accounting firm who also has audited the Company's consolidated financial statements included in this Annual Report on Form 10-K. Ernst & Young's report on the Company's internal control over financial reporting appears below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended December 31, 2014 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our CEO and CFO, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Hawaiian Holdings, Inc.

We have audited Hawaiian Holdings, Inc.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Hawaiian Holdings, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Hawaiian Holdings, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Hawaiian Holdings, Inc. as of December 31, 2014 and 2013 and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2014 of Hawaiian Holdings, Inc. and our report dated February 9, 2015 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Honolulu, Hawai'i
February 9, 2015

Table of Contents

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by this item is incorporated herein by reference from our definitive proxy statement relating to our 2015 Annual Meeting of Stockholders.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item is incorporated herein by reference from our definitive proxy statement relating to our 2015 Annual Meeting of Stockholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this item is incorporated herein by reference from our definitive proxy statement relating to our 2015 Annual Meeting of Stockholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this item is incorporated herein by reference from our definitive proxy statement relating to our 2015 Annual Meeting of Stockholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information required by this item is incorporated herein by reference from our definitive proxy statement relating to our 2015 Annual Meeting of Stockholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) Financial Statements and Financial Statement Schedules:

(1) Financial Statements of Hawaiian Holdings, Inc.

- i. Report of Ernst & Young LLP, Independent Registered Public Accounting Firm.
- ii. Consolidated Statements of Operations for the Years ended December 31, 2014, 2013 and 2012.
- iii. Consolidated Statements of Comprehensive Income, December 31, 2014, 2013 and 2012.
- iv. Consolidated Balance Sheets, December 31, 2014 and 2013.
- v. Consolidated Statements of Shareholders' Equity Years ended December 31, 2014, 2013 and 2012.
- vi. Consolidated Statements of Cash Flows for the Years ended December 31, 2014, 2013 and 2012.
- vii. Notes to Consolidated Financial Statements.

(2) Schedule of Valuation and Qualifying Accounts of Hawaiian Holdings, Inc.

The information required by Schedule I, "Condensed Financial Information of Registrant" has been provided in Note 16 to the consolidated financial statements. All other schedules have been omitted because they are not required.

(b) Exhibits:

Table of Contents

- 2.1 Third Amended Joint Plan of Reorganization of Joshua Gotbaum, as Chapter 11 Trustee for Hawaiian Airlines, Inc., the Official Committee of Unsecured Creditors, HHIC, Inc., Hawaiian Holdings, Inc., and RC Aviation, LLC, dated as of March 11, 2005 (filed as Exhibit 2.01 to the Form 8-K filed by Hawaiian Holdings, Inc. on June 7, 2005).*
- 2.2 Order Confirming Third Amended Joint Plan of Joshua Gotbaum, as Chapter 11 Trustee for Hawaiian Airlines, The Official Committee of Unsecured Creditors, HHIC, Inc., the Company and RC Aviation, dated as of March 11, 2005, as amended (filed as Exhibit 2.02 to the Form 8-K filed by Hawaiian Holdings, Inc. on June 7, 2005).*
- 3.1 Amended and Restated Certificate of Incorporation of Hawaiian Holdings, Inc. (filed as Exhibit 3.1 to the Form S-1, File No. 333-129503, filed by Hawaiian Holdings, Inc. on November 7, 2005).*
- 3.2 Amended Bylaws of Hawaiian Holdings, Inc. (filed as Exhibit 3.2 to the Form 10-Q filed by Hawaiian Holdings, Inc. on November 7, 2007).*
- 4.1 Indenture, dated March 23, 2011, between Hawaiian Holdings, Inc. and U.S. Bank National Association, as trustee (filed as Exhibit 4.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 23, 2011).*
- 4.2 Supplemental Indenture, dated March 23, 2011, between Hawaiian Holdings, Inc. and U.S. Bank National Association, as trustee (filed as Exhibit 4.2 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 23, 2011).*
- 4.3 Form of 5.00% Senior Convertible Note due 2016 (filed as Exhibit 4.3 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 23, 2011 and incorporated by reference to Exhibit 4.2 thereto).*
- 10.1 Amendment No. 2 to Lease Agreement N475HA, dated September 30, 2004, between Wells Fargo Bank Northwest, National Association and Hawaiian Airlines, Inc. (filed as Exhibit 10.2 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on October 14, 2005). Hawaiian Airlines, Inc. also entered into Amendment No. 2 to Lease Agreement N476HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N477HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N478HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N479HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N480HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N481HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N484HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N485HA, dated September 30, 2004, Amendment No. 2 to Lease Agreement N486HA, dated September 30, 2004, and Amendment No. 2 to Lease Agreement N487HA, dated September 30, 2004, between Wells Fargo Bank, Northwest, National Association and Hawaiian Airlines, Inc. The amended leases are substantially identical to Amendment No. 2 to Lease Agreement N475HA, except with respect to the aircraft information and delivery dates. Pursuant to Regulation S-K Item 601, Instruction 2, these amendments were not filed.*
- 10.2 Lease Agreement, dated as of September 20, 2001, between AWMS I and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33421 (filed as Exhibit 1.5 to the Form 10-Q filed by Hawaiian Airlines, Inc. on November 14, 2001, in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. has also entered into a Lease Agreement, dated as of September 20, 2001, between AWMS I and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33422, a Lease Agreement, dated as of September 20, 2001, between AWMS I and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33423, and a Lease Agreement, dated as of September 20, 2001, between AWMS I and Hawaiian

Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33424, which lease agreements are substantially identical to Lease Agreement 33421, except with respect to aircraft information, delivery date and certain other information as to which Hawaiian Airlines, Inc. has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these lease agreements were not filed). *†

- 10.3 Amendment No. 1 to Lease Agreement, dated November 6, 2002, by and between AWMS I and Hawaiian Airlines, Inc., Manufacturer's Serial Number 33421 (filed as Exhibit 10.4 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on October 14, 2005). Hawaiian Airlines, Inc. has also entered into Amendment No. 1 to Lease Agreement, dated as of November 6, 2002, Manufacturer's Serial Number 33422, Amendment No. 1 to Lease Agreement, dated as of November 6, 2002, Manufacturer's Serial Number 33423, and Amendment No. 1 to Lease Agreement, dated as of November 6, 2002, Manufacturer's Serial Number 33424, which amended lease agreements are substantially identical to Amendment No. 1 to Lease Agreement 33421, except with respect to aircraft information and delivery date, and pursuant to Regulation S-K Item 601, Instruction 2, these amended lease agreements were not filed.*

Table of Contents

- 10.4 Amendment No. 2 to Lease Agreement, dated as of May 7, 2003, by and between AWMS I and Hawaiian Airlines, Inc., Manufacturer's Serial Number 33421 (filed as Exhibit 10.5 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on December 22, 2005 in redacted form since confidential treatment has been granted for certain provision thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. has also entered into Amendment No. 2 to Lease Agreement, dated as of May 7, 2003, Manufacturer's Serial Number 33422, Amendment No. 2 to Lease Agreement, dated as of May 7, 2003, Manufacturer's Serial Number 33423, and Amendment No. 2 to Lease Agreement, dated as of May 7, 2003, Manufacturer's Serial Number 33424, which amended lease agreements are substantially identical to Amendment No. 2 to Lease Agreement 33421, except with respect to aircraft information, delivery date and certain other information as to which the Company has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these amended lease agreements were not filed.*‡
- 10.5 Amendment No. 3 to Lease Agreement, dated as of December 15, 2006, by and between AWMS I and Hawaiian Airlines, Inc., Manufacturer's Serial Number 33421 (filed as Exhibit 10.9 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 16, 2007). Hawaiian Airlines, Inc. has also entered into Amendment No. 3 to Lease Agreement, dated as of December 15, 2006, Manufacturer's Serial Number 33422, Amendment No. 3 to Lease Agreement, dated as of December 15, 2006, Manufacturer's Serial Number 33423, and Amendment No. 3 to Lease Agreement, dated as of December 15, 2006, Manufacturer's Serial Number 33424, which amended lease agreements are substantially identical to Amendment No. 3 to Lease Agreement 33421, and pursuant to Regulation S-K Item 601, Instruction 2, these amended lease agreements were not filed.*
- 10.6 Lease Agreement, dated as of July 16, 2001, between International Lease Finance Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 24257 (filed as Exhibit 1.4 to the Form 10-Q filed by Hawaiian Airlines, Inc. on November 14, 2001, in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. has also entered into a Lease Agreement, dated as of July 16, 2001, between International Lease Finance Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 24258, a Lease Agreement, dated as of July 16, 2001, between International Lease Finance Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 25531, and a Lease Agreement, dated as of July 16, 2001, between International Lease Finance Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 24259, which lease agreements are substantially identical to Lease Agreement 24257, except with respect to aircraft information, delivery date and certain other information as to which Hawaiian Airlines, Inc. has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these lease agreements were not filed.*‡
- 10.7 Amendment No. 1 to Lease Agreement, dated as of August 2003, between International Lease Finance Corporation and Hawaiian Airlines, Inc., Manufacturer's Serial Number 24257 (filed as Exhibit 10.6 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on December 22, 2005 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. has also entered into Amendment No. 1 to Lease Agreement, dated as of August 2003, Manufacturer's Serial Number 24258, Amendment No. 1 to Lease Agreement, dated as of August 2003, Manufacturer's Serial Number 25531, and Amendment No. 1 to Lease Agreement, dated as of August 2003, Manufacturer's Serial Number 24259, which amended lease agreements are substantially identical to Amendment No. 1 to Lease Agreement 24257, except with respect to aircraft information, delivery date and certain other information as to which the Company has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these amended lease

agreements were not filed.*†

10.8 Lease Agreement, dated as of September 20, 2001, between BCC Equipment Leasing Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33426 (filed as Exhibit 1.6 to the Form 10-Q filed by Hawaiian Airlines, Inc. on November 14, 2001, in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. has also entered into a Lease Agreement, dated as of September 20, 2001, between BCC Equipment Leasing Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33427, a Lease Agreement, dated as of September 20, 2001, between BCC Equipment Leasing Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33428, and a Lease Agreement, dated as of September 20, 2001, between BCC Equipment Leasing Corporation and Hawaiian Airlines, Inc. for one Boeing Model 767-33AER aircraft, Manufacturer's Serial Number 33429, which lease agreements are substantially identical to Lease Agreement 33426, except with respect to aircraft information, delivery date and certain other information as to which Hawaiian Airlines, Inc. has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these lease agreements were not filed.*†

Table of Contents

- 10.9 Amendment No. 1 to Lease Agreement, dated as of October 24, 2002, by and between BCC Equipment Leasing Corporation and Hawaiian Airlines, Inc., Manufacturer's Serial Number 33466 (originally 33426) (filed as Exhibit 10.7 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on October 14, 2005). Hawaiian Airlines, Inc. has also entered into Amendment No. 1 to Lease Agreement, dated as of October 24, 2002, Manufacturer's Serial Number 33427 (originally 33467) and Amendment No. 1 to Lease Agreement, dated as of October 24, 2002, Manufacturer's Serial Number 33428 (originally 33468), which amended lease agreements are substantially identical to Amendment No. 1 to Lease Agreement 33466 (originally 33426), except with respect to aircraft information and delivery dates, and pursuant to Regulation S-K Item 601, Instruction 2, these amended lease agreements were not filed.*
- 10.10 Amendment No. 2 to Lease Agreement, dated as of September 30, 2004, by and between BCC Equipment Leasing Corporation and Hawaiian Airlines, Inc., Manufacturer's Serial Number 33466 (originally 33426) (filed as Exhibit 10.8 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on December 22, 2005 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. has also entered into Amendment No. 2 to Lease Agreement, dated as of September 30, 2004, Manufacturer's Serial Number 33427 (originally 33467) and Amendment No. 2 to Lease Agreement, dated as of September 30, 2004, Manufacturer's Serial Number 33428 (originally 33468), which amended lease agreements are substantially identical to Amendment No. 2 to Lease Agreement 33466, except with respect to aircraft information, delivery dates and certain other information as to which the Company has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these amended lease agreements were not filed.*
- 10.11 Amendment No. 3 to Lease Agreement, dated as of September 30, 2004, by and between BCC Equipment Leasing Corporation and Hawaiian Airlines, Inc., Manufacturer's Serial Number 33466 (originally 33426) (filed as Exhibit 10.9 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on October 14, 2005). Hawaiian Airlines, Inc. has also entered into Amendment No. 3 to Lease Agreement, dated as of September 30, 2004, Manufacturer's Serial Number 33427 (originally 33467) and Amendment No. 3 to Lease Agreement, dated as of September 30, 2004, Manufacturer's Serial Number 33428 (originally 33468), which amended lease agreements are substantially identical to Amendment No. 3 to Lease Agreement 33466 (originally 33426), except with respect to aircraft information and delivery date, and pursuant to Regulation S-K Item 601, Instruction 2, these amended lease agreements were not filed.*
- 10.12 Form of Hawaiian Holdings, Inc. Stock Option Agreement for certain employees and executive officers (filed as Exhibit 10.14 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 25, 2009).*+
- 10.13 Form of Hawaiian Holdings, Inc. Restricted Stock Agreement for certain employees and executive officers (filed as Exhibit 10.15 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 25, 2009).*+
- 10.13.1 Form of Hawaiian Holdings, Inc. Restricted Stock Unit Award Agreement for certain employees and executive officers (filed as Exhibit 10.15.2 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 11, 2011).*+
- 10.13.2 Form of Hawaiian Holdings, Inc. Performance-Based Restricted Stock Unit Award Agreement for certain employees and executive officers (filed as Exhibit 10.15.3 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 11, 2011).*+
- 10.14 Form of Hawaiian Holdings, Inc. Deferred Stock Unit Agreement for certain employees and executive officers (filed as Exhibit 10.16 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 25, 2009).*+

- 10.15 Form of Hawaiian Holdings, Inc. Award Agreement for directors (filed as Exhibit 10.17 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 25, 2009).*+
- 10.16 Hawaiian Holdings, Inc. 2005 Stock Incentive Plan (incorporated by reference to the Registrant's Definitive Proxy Statement on Schedule 14A as filed with the Commission on March 26, 2010, File No. 001-31443).*+
- 10.17 Hawaiian Holdings, Inc. 2006 Management Incentive Plan (filed as Exhibit 10.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on June 6, 2006).*+
- 10.18 Employment Agreement, dated as of May 25, 2010, by and between Mark B. Dunkerley and each of Hawaiian Holdings, Inc. and its wholly-owned subsidiary Hawaiian Airlines, Inc. (filed as Exhibit 10.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on June 1, 2010).*+
- 10.18.1 Amended and Restated Mark B. Dunkerley Employment Agreement, dated as of November 15, 2012, by and between Mark B. Dunkerley and each of Hawaiian Holdings, Inc. and its wholly-owned subsidiary Hawaiian Airlines, Inc. (filed as Exhibit 10.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on November 21, 2012).*+
- 10.18.2 Type A Restricted Stock Award Agreement, dated as of May 25, 2010, by and between Mark B. Dunkerley and Hawaiian Holdings, Inc. (filed as Exhibit 10.2 to the Form 8-K filed by Hawaiian Holdings, Inc. on June 1, 2010).*+

Table of Contents

- 10.18.3 Type A Restricted Stock Unit Award Agreement, dated as of November 15, 2012, by and between Mark B. Dunkerley and Hawaiian Holdings, Inc. (filed as Exhibit 10.2 to the Form 8-K filed by Hawaiian Holdings, Inc. on November 21, 2012).*+
- 10.18.4 Type B Restricted Stock Award Agreement, dated as of May 25, 2010, by and between Mark B. Dunkerley and Hawaiian Holdings, Inc. (filed as Exhibit 10.3 to the Form 8-K filed by Hawaiian Holdings, Inc. on June 1, 2010).*+
- 10.18.5 Type B Restricted Stock Unit Award Agreement, dated as of November 15, 2012, by and between Mark B. Dunkerley and Hawaiian Holdings, Inc. (filed as Exhibit 10.3 to the Form 8-K filed by Hawaiian Holdings, Inc. on November 21, 2012).*+
- 10.19 Employment Agreement, dated as of November 18, 2005, between Hawaiian Airlines, Inc. and Peter R. Ingram (filed as Exhibit 10.24 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 23, 2006).*+
- 10.19.1 First Amendment to Employment Agreement, dated as of November 2008, by and between Peter R. Ingram and Hawaiian Airlines, Inc. (filed as Exhibit 10.23 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 26, 2009).*+
- 10.19.2 Second Amendment to Employment Agreement, dated as of April 6, 2009, by and between Peter R. Ingram and Hawaiian Airlines, Inc. (filed as Exhibit 10.1 to the Form 10-Q filed by Hawaiian Holdings, Inc. on April 30, 2009).*+
- 10.20 Employment Agreement, dated as of July 11, 2005, between Hawaiian Airlines, Inc. and Barbara Falvey (filed as Exhibit 10.1 to the Form 10-Q filed by Hawaiian Holdings, Inc. on May 9, 2007).*+
- 10.20.1 First Amendment to Employment Agreement, dated as of April 6, 2009, between Hawaiian Airlines, Inc. and Barbara Falvey (filed as Exhibit 10.2 to the Form 10-Q filed by Hawaiian Holdings, Inc. on April 30, 2009).*+
- 10.21 Form of Hawaiian Holdings, Inc. Indemnification Agreement for directors and executive officers (filed as Exhibit 10.25 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011).*+
- 10.22 Form of Executive Severance Agreement entered into with each of Scott E. Topping (November 12, 2012), Ronald Anderson-Lehman (November 7, 2012), Barbara D. Falvey (November 7, 2012), Sean Menke (October 30, 2014) Charles R. Nardello (November 7, 2012), Glenn G. Taniguchi (November 19, 2012) and Hoyt H. Zia (November 7, 2012) (filed as Exhibit 10.1 to the Form 10-Q filed by Hawaiian Holdings, Inc. on October 25, 2012).*+
- 10.23 Amended and Restated Credit Agreement, dated as of December 10, 2010, by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., each of the lenders party thereto (the "Lenders") and Wells Fargo Capital Finance, Inc., as agent for the Lenders (filed as Exhibit 10.26 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 11, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.23.1 Amendment Number Two to Amended and Restated Credit Agreement, dated as of March 16, 2011, entered into by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., each of the lenders party thereto ("the Lenders") and Wells Fargo Capital Finance, Inc., as agent for the Lenders (filed as Exhibit 10.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 17, 2011).*

10.23.2 Amendment Number Three to Amended and Restated Credit Agreement, Waiver and Extension, dated as of June 28, 2011, entered into by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., each of the lenders party thereto (the "Lenders") and Wells Fargo Capital Finance, Inc., as agent for the Lenders (filed as Exhibit 10.4 to the Form 10-Q filed by Hawaiian Holdings, Inc. on July 27, 2011).*

10.23.3 Amendment Number Four to Amended and Restated Credit Agreement and Amendment Number One to Amended and Restated Security Agreement, dated as of October 13, 2011, by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., Airline Contract Maintenance and Equipment, Inc. and each of the lenders party thereto (the "Lenders") and Wells Fargo Capital Finance, Inc., as agent for the Lenders (filed as Exhibit 10.26.3 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 9, 2012).*

10.23.4 Amendment Number Five to Amended and Restated Credit Agreement and Waiver and Amendment Number Two to Amended and Restated Security Agreement, dated as of July 9, 2012, by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., Airline Contract Maintenance and Equipment, Inc. and each of the lenders party thereto (the "Lenders") and Wells Fargo Capital Finance, Inc., as agent for the Lenders (filed as Exhibit 10.1 to the Form 10-Q filed by Hawaiian Holdings, Inc. on July 26, 2012).*

10.23.5 Amendment Number Six to Amended and Restated Credit Agreement, dated as of January 31, 2013, by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., each of the lenders party thereto (the "Lenders") and Wells Fargo Capital Finance, Inc., as agent for the Lenders (filed as Exhibit 10.23.5 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 8, 2013).*

Table of Contents

- Amendment Number Seven to Amended and Restated Credit Agreement, dated as of December 31, 2013, by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., each of the lenders party thereto (the "Lenders") and Wells Fargo Capital Finance, LLC (successor by merger to Wells Fargo Capital Finance, Inc.), as agent for the Lenders (filed as Exhibit 10.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on January 7, 2014).*
- 10.23.6
- Amended and Restated General Continuing Guaranty, dated as of December 10, 2010, by Hawaiian Holdings, Inc. in favor of Wells Fargo Capital Finance, Inc., in its capacity as agent for the Lender Group and the Bank Product Providers (each as defined therein) (filed as Exhibit 10.27 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.24
- Amended and Restated Security Agreement, dated as of December 10, 2010, by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., those additional entities party thereto from time to time and Wells Fargo Capital Finance, Inc., in its capacity as agent for the Lender Group and the Bank Product Providers (each as defined therein) (filed as Exhibit 10.28 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.25
- Amended and Restated Engine and Spare Parts Security Agreement, dated as of December 10, 2010, by and between Hawaiian Airlines, Inc. and Wells Fargo Capital Finance, Inc., in its capacity as agent for the Lender Group and the Bank Product Providers (each as defined therein) (filed as Exhibit 10.29 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.26
- Consolidated, Supplemented, Amended and Restated Aircraft Security Agreement, dated as of December 10, 2010, by and between Hawaiian Airlines, Inc. and Wells Fargo Capital Finance, Inc., in its capacity as agent for the Lender Group and the Bank Product Providers (each as defined therein) (filed as Exhibit 10.30 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.27
- Waiver, Extension, and Amendment under Credit Agreement, dated as of January 24, 2011, by and among Hawaiian Holdings, Inc., Hawaiian Airlines, Inc., each of the lenders party thereto (the "Lenders") and Wells Fargo Capital Finance, Inc., as agent for the Lenders (filed as Exhibit 10.31 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.28
- Registration Rights Agreement, dated as of June 1, 2005, by and between Hawaiian Holdings, Inc. and RC Aviation, LLC (filed as Exhibit 10.12 to the Form 8-K filed by Hawaiian Holdings, Inc. on June 7, 2005).*
- 10.29
- Warrant, dated November 17, 2005, granted to RC Aviation, LLC (and subsequently distributed to its members) to purchase the Common Stock of Hawaiian Holdings, Inc. (filed as Exhibit 10.44 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 23, 2006).*
- 10.30
- Aircraft Purchase Agreement, dated as of February 16, 2006, by and among Wilmington Trust Company, not in its individual capacity but solely as owner trustee, Marathon Structured Finance Fund, L.P., and Hawaiian Airlines, Inc., relating to the purchase of three Boeing 767-332 aircraft bearing manufacturer's serial
- 10.31

numbers 23275, 23277 and 23278 and FAA registration numbers N116DL, N118DL, and N119DL (filed as Exhibit 10.45 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 23, 2006).*

10.32 Aircraft Purchase and Sale Agreement, dated as of February 24, 2006, by and between Wilmington Trust Company, not in its individual capacity but solely as owner trustee, and Hawaiian Airlines, Inc., relating to the purchase of one Boeing 767-332 aircraft bearing manufacturer's serial number 23276 and FAA registration number N117DL (filed as Exhibit 10.46 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 23, 2006).*

10.33 Purchase Agreement, dated as of December 21, 2006, by and between AWMS I, a Delaware statutory trust, and Hawaiian Airlines, Inc., relating to the purchase of one Boeing 767-300ER aircraft bearing manufacturer's serial number 28139 (filed as Exhibit 10.48 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 16, 2007). Hawaiian Airlines, Inc. also entered into purchase agreements with AWMS I relating to the purchase of two Boeing 767-300ER aircraft bearing manufacturer's serial numbers 28140 and 28141, which purchase agreements are substantially identical to the purchase agreement related to the aircraft bearing manufacturer's serial number 28139, except with respect to the aircraft information, and pursuant to Regulation S-K Item 601, Instruction 2, these purchase agreements were not filed.*

10.34 Loan Agreement No. 28139, dated as of December 21, 2006, by and among Hawaiian Airlines, Inc., C.I.T. Leasing Corporation and such other lenders as may from time to time be party thereto. Hawaiian Airlines, Inc. also entered into Loan Agreement No. 28140 and Loan Agreement No. 28141 (filed as Exhibit 10.49 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 16, 2007), which loan agreements are substantially identical to Loan Agreement No. 28139, and pursuant to Regulation S-K Item 601, Instruction 2, these loan agreements were not filed.*

Table of Contents

- 10.35 Security Agreement No. 28139, dated as of December 21, 2006, by and between Hawaiian Airlines, Inc. and C.I.T. Leasing Corporation (filed as Exhibit 10.50 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 16, 2007). Hawaiian Airlines, Inc. also entered into Security Agreement 28140 and Security Agreement 28141, which security agreements are substantially identical to Security Agreement 28139, and pursuant to Regulation S-K Item 601, Instruction 2, these security agreements were not filed.*
- 10.36 Airbus A330/A350XWB Purchase Agreement, dated as of January 31, 2008, between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.52 to the Form 10-K filed by Hawaiian Holdings, Inc. on March 3, 2008 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.36.1 Amendment No. 1 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.1 to the Form 10-Q filed by Hawaiian Holdings, Inc. on August 6, 2008 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.36.2 Amendment No. 2 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.2 to the Form 10-Q filed by Hawaiian Holdings, Inc. on April 27, 2010).*
- 10.36.3 Amendment No. 3 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.3 to the Form 10-Q filed by Hawaiian Holdings, Inc. on April 27, 2010 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.36.4 Amendment No. 4 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.44.3 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.36.5 Amendment No. 5 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.44.4 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.36.6 Amendment No. 6 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.44.5 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 9, 2012 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.36.7 Amendment No. 7 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.2 to the Form 10-Q filed by Hawaiian Holdings, Inc. on July 26, 2012 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.36.8 Amendment No. 8 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc.‡

10.36.9 Amendment No. 9 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc.*†

10.36.10 Amended and Restated Letter Agreement No. 3 to the Airbus A330/A350XWB Purchase Agreement dated as of January 31, 2008 between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.44.5 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 2, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*†

10.37 Lease Agreement N483HA, dated as of August 29, 2008, between Wells Fargo Bank Northwest, National Association, and Hawaiian Airlines, Inc. for one Boeing 717-200 aircraft (filed as Exhibit 10.45 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 26, 2009 in redacted form pursuant to a request for confidential treatment for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. also entered into a Lease Agreement N489HA, dated October 9, 2008, with Wells Fargo Bank Northwest, National Association, a Lease Agreement N490HA, dated December 1, 2008, with Wells Fargo Bank Northwest, National Association, and a Lease Agreement N488HA, dated December 22, 2008, with Wells Fargo Bank Northwest, National Association, each for one Boeing 717-200 aircraft, which leases are substantially identical to Lease Agreement N483HA, except with respect to aircraft identification information, delivery dates and certain other information as to which Hawaiian Airlines, Inc. has requested confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these lease agreements were not filed.*†

Table of Contents

- 10.38 Lease Agreement (Aircraft No. 2), dated as of October 21, 2008, between Pegasus Aviation Finance Company and Hawaiian Airlines, Inc. for one Airbus A330-200 aircraft (the "Pegasus Lease Agreement") (filed as Exhibit 10.46 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 26, 2009 in redacted form pursuant to a request for confidential treatment for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended) (Aircraft No. 2). Hawaiian Airlines, Inc. also entered into a Lease Agreement (Aircraft No. 1), dated as of October 21, 2008, with Pegasus Aviation Finance Company relating to the lease of a second Airbus A330-220 aircraft, the terms of which are substantially identical to the terms contained in the Pegasus Lease Agreement, except with respect to aircraft identification information, delivery dates and certain other information as to which Hawaiian Airlines, Inc. has requested confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, this lease agreement was not filed.*‡
- 10.39 General Terms Agreement, dated as of October 27, 2008, between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc., relating to the purchase of Trent 772B engines (the "Rolls-Royce Agreement") (filed as Exhibit 10.47 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 26, 2009 in redacted form pursuant to a request for confidential treatment for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. also entered into an Agreement, dated as of October 27, 2008, between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. relating to the purchase of Trent XWB engines, the terms of which are substantially identical to the terms contained in the Rolls-Royce Agreement, except with respect to engine identification information and specifications, delivery dates and certain other information as to which Hawaiian Airlines, Inc. has requested confidential treatment and pursuant to Regulation S-K Item 601, Instruction 2, this agreement was not filed.*‡
- 10.39.1 Amendment #1 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008 (filed as Exhibit 10.10 to the Form 10-Q filed by Hawaiian Holdings, Inc. on April 26, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.39.2 Amendment #2 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008 (filed as Exhibit 10.11 to the Form 10-Q filed by Hawaiian Holdings, Inc. on April 26, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.39.3 Amendment #3 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008 (filed as Exhibit 10.48.2 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 9, 2012 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.39.4 Amendment #4 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008.*‡
- 10.39.5 Amendment #5 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008.*‡

- 10.39.6 Amendment #6 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008.*‡
- 10.39.7 Amendment #7 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008.*‡
- 10.39.8 Amendment #8 to General Terms Agreement by and between Rolls- Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008.*‡
- 10.40 Amendment #1 to the Side Letter Agreement Number One to General Terms Agreement by and between Rolls-Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008 (filed as Exhibit 10.12 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on July 21, 2011).*‡
- 10.40.1 Amendment #2 to the Side Letter Agreement Number One to General Terms Agreement by and between Rolls-Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. dated October 27, 2008 (filed as Exhibit 10.49.1 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 9, 2012 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.41 Aircraft Lease Agreement, dated as of October 31, 2008, between C.I.T. Leasing Corporation and Hawaiian Airlines, Inc. for one Airbus A330-200 aircraft (filed as Exhibit 10.48 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 26, 2009 in redacted form pursuant to a request for confidential treatment for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡

Table of Contents

- 10.42 Amendment No. 1 to Lease Agreement (Aircraft No. 2), dated as of November 10, 2008, between Pegasus Aviation Finance Company and Hawaiian Airlines, Inc. (filed as Exhibit 10.49 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 26, 2009 in redacted form pursuant to a request for confidential treatment for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).^{*‡}
- 10.43 Amendment Number One to Aircraft Lease Agreement, dated as of November 10, 2008, between C.I.T. Leasing Corporation and Hawaiian Airlines, Inc. (filed as Exhibit 10.50 to the Form 10-K filed by Hawaiian Holdings, Inc. on February 26, 2009 in redacted form pursuant to a request for confidential treatment for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).^{*‡}
- 10.44 Complete Fleet Services Agreement, dated as of December 14, 2009, between Delta Air Lines, Inc. and Hawaiian Airlines, Inc. (filed as Exhibit 10.1 to the Form 10-Q filed by Hawaiian Holdings, Inc. on April 27, 2010).^{*}
- 10.45 Base Call Option Transaction Confirmation, dated as of March 18, 2011, by and among Hawaiian Holdings, Inc., UBS AG, London Branch and UBS Securities LLC, solely as agent of UBS AG, London Branch (filed as Exhibit 10.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 21, 2011).^{*}
- 10.46 Base Call Option Transaction Confirmation, dated as of March 18, 2011, by and between Hawaiian Holdings, Inc. and JPMorgan Chase Bank, National Association (filed as Exhibit 10.2 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 21, 2011).^{*}
- 10.47 Base Warrants Transaction Confirmation, dated as of March 18, 2011, by and among Hawaiian Holdings, Inc., UBS AG, London Branch and UBS Securities LLC, solely as agent of UBS AG, London Branch (filed as Exhibit 10.3 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 21, 2011).^{*}
- 10.48 Base Warrants Transaction Confirmation, dated as of March 18, 2011, by and between Hawaiian Holdings, Inc. and JPMorgan Chase Bank, National Association (filed as Exhibit 10.4 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 21, 2011).^{*}
- 10.49 Additional Call Option Transaction, dated as of March 18, 2011, by and among Hawaiian Holdings, Inc., UBS AG, London Branch and UBS Securities LLC, solely as agent of UBS AG, London Branch (filed as Exhibit 10.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 23, 2011).^{*}
- 10.50 Additional Call Option Transaction, dated as of March 18, 2011, by and between Hawaiian Holdings, Inc. and JPMorgan Chase Bank, National Association (filed as Exhibit 10.2 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 23, 2011).^{*}
- 10.51 Additional Warrants Transaction, dated as of March 18, 2011, by and among Hawaiian Holdings, Inc., UBS AG, London Branch and UBS Securities LLC, solely as agent of UBS AG, London Branch (filed as Exhibit 10.3 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 23, 2011).^{*}
- 10.52 Additional Warrants Transaction, dated as of March 18, 2011, by and between Hawaiian Holdings, Inc. and JPMorgan Chase Bank, National Association (filed as Exhibit 10.4 to the Form 8-K filed by Hawaiian Holdings, Inc. on March 23, 2011).^{*}
- 10.53 Loan Agreement [1217], dated as of April 6, 2011, by and among Hawaiian Airlines, Inc.; Natixis as administrative agent; Wells Fargo Bank Northwest, National Association, not in its individual capacity,

except as expressly stated therein, as security trustee; Landesbank Hessen- Thüringen Girozentrale, KfW IPEX-Bank GmbH and Natixis Transport Finance, as joint lead arrangers; and any additional lenders from time to time party thereto (filed as Exhibit 10.1 to the Form 10-Q filed by Hawaiian Holdings, Inc. on July 27, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. also entered into Loan Agreement [1295], dated as of June 29, 2011 by and among Landesbank Hessen-Thüringen Girozentrale, as administrative agent; Wells Fargo Bank Northwest, National Association, not in its individual capacity, except as expressly stated therein, as security trustee; Landesbank Hessen- Thüringen Girozentrale, KfW IPEX-Bank GmbH and Natixis Transport Finance, as lenders; and any additional lenders from time to time party thereto, which loan agreement is substantially identical to Loan Agreement [1217], except with respect to total principal amount and certain other information as to which Hawaiian Airlines, Inc. has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, this loan agreement was not filed.*‡

10.54 Purchase Agreement, dated as of June 27, 2011, by and among Wells Fargo Bank Northwest, National Association, solely as owner trustee of trusts beneficially owned by BCC Equipment Leasing Corporation and MDFC Spring Company, and Hawaiian Airlines, Inc. (filed as Exhibit 10.2 to the Form 10-Q filed by Hawaiian Holdings, Inc. on July 27, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡

Table of Contents

- 10.55 Facility Agreement [Hawaiian 717-200 [55001]], dated as of June 27, 2011 by and between Hawaiian Airlines, Inc. and Boeing Capital Loan Corporation (filed as Exhibit 10.3 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on December 14, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. also entered into Facility Agreement [Hawaiian 717-200 [55002]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55118]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55121]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55122]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55123]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55124]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55125]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55126]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55128]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55129]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55130]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55131]], dated as of June 27, 2011; Facility Agreement [Hawaiian 717-200 [55132]], dated as of June 27, 2011; and Facility Agreement [Hawaiian 717-200 [55151]], dated as of June 27, 2011, which facility agreements are substantially identical to Facility Agreement 55001, and pursuant to Regulation S-K Item 601, Instruction 2, these facility agreements were not filed.*‡
- 10.56 Lease Agreement 491HA, dated as of June 28, 2011, by and between Wells Fargo Bank Northwest, National Association, a national banking association organized under the laws of the United States of America, not in its individual capacity, but solely as owner trustee of a trust beneficially owned by BCC Equipment Leasing Corporation, and Hawaiian Airlines, Inc. (filed as Exhibit 10.5 to Form 10-Q/A filed by Hawaiian Holdings, Inc. on December 14, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. also entered into Lease Agreement 492HA, dated as of June 28, 2011; and Lease Agreement 493HA, dated as of June 28, 2011, which lease agreements are substantially identical to Lease Agreement 491HA, and pursuant to Regulation S-K Item 601, Instruction 2, these lease agreements were not filed.*‡
- 10.57 Facility Agreement [Hawaiian A330 [1259]], dated as of June 29, 2011, by and among Hawaiian Airlines, Inc.; Bank of Utah, as security trustee; and each of Norddeutsche Landesbank Girozentrale and BNP Paribas, as loan participants (filed as Exhibit 10.6 to the Form 10-Q/A filed by Hawaiian Holdings, Inc. on December 14, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. also entered into Facility Agreement [Hawaiian A330 [1302]], dated as of June 29, 2011, which facility agreement is substantially identical to Facility Agreement [Hawaiian A330 [1259]], except with respect to certain information as to which Hawaiian Airlines, Inc. has been granted confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, this facility agreement was not filed.*‡
- 10.58 Contract Services Agreement, dated as of June 29, 2011, by and between Hawaiian Airlines, Inc. and Airline Contract Maintenance and Equipment, Inc. (filed as Exhibit 10.7 to the Form 10-Q filed by Hawaiian Holdings, Inc. on July 27, 2011 in redacted form since confidential treatment has been granted for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡
- 10.59 Purchase Agreement (Aircraft No.1), dated as of October 14, 2011, by and among Wilmington Trust Company, a Delaware trust company, not in its individual capacity, but solely as Owner Trustee for the benefit of HKAC Leasing Limited, a private Irish limited company; HKAC Leasing Limited; and Hawaiian Airlines, Inc., a Delaware corporation (filed as Exhibit 10.68 to Form 10-K/A filed by Hawaiian Holdings, Inc. on May 30, 2012 in redacted form pursuant to a request for confidential treatment for certain

provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended). Hawaiian Airlines, Inc. also entered into Purchase Agreement (Aircraft No. 2) dated as of October 14, 2011 and Purchase Agreement (Aircraft No. 3) dated as of October 14, 2011, the terms of which are substantially identical to the terms of Purchase Agreement (Aircraft No 1), except with respect to aircraft identification information, delivery dates and certain other information as to which Hawaiian Airlines, Inc. had requested confidential treatment, and pursuant to Regulation S-K Item 601, Instruction 2, these purchase agreements were not filed.*‡

10.60 Type A Restricted Stock Unit Award Agreement, dated as of February 7, 2013, by and between Mark B. Dunkerley and Hawaiian Holdings, Inc. (filed as Exhibit 10.2 to form 10-Q filed by Hawaiian Holdings, Inc. on April 25, 2013).*+

10.61 Type B Restricted Stock Unit Award Agreement, dated as of February 7, 2013, by and between Mark B. Dunkerley and Hawaiian Holdings, Inc. (filed as Exhibit 10.3 to form 10-Q filed by Hawaiian Holdings, Inc. on April 25, 2013).*+

10.62 Airbus A320 Family Purchase Agreement, dated as of March 18, 2013, between Airbus S.A.S. and Hawaiian Airlines, Inc. (filed as Exhibit 10.1 to Form 10-Q/A filed by Hawaiian Holdings, Inc. on October 17, 2013 in redacted form pursuant to a request for confidential treatment for certain provisions thereof pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).*‡

10.62.1 Amendment #1 to Airbus A320 Family Purchase Agreement, dated as of March 18, 2013, between Airbus S.A.S. and Hawaiian Airlines, Inc.‡

Table of Contents

- Amendment #2 to Airbus A320 Family Purchase Agreement, dated as of March 18, 2013, between
10.62.2 Airbus S.A.S. and Hawaiian Airlines, Inc.‡
- 10.63 Pass Through Trust Agreement, dated May 29, 2013, between Hawaiian Airlines, Inc. and Wilmington Trust, National Association, as trustee (filed as Exhibit 4.1 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.64 Trust Supplement No. 2013-1A-O, dated as of May 29, 2013, between Wilmington Trust, National Association, as Trustee, and Hawaiian Airlines, Inc. to Pass Through Trust Agreement, dated as of May 29, 2013 (filed as Exhibit 4.2 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.65 Trust Supplement No. 2013-1A-S, dated as of May 29, 2013, between Wilmington Trust, National Association, as Trustee, and Hawaiian Airlines, Inc. to Pass Through Trust Agreement, dated as of May 29, 2013 (filed as Exhibit 4.3 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.66 Trust Supplement No. 2013-1B-O, dated as of May 29, 2013, between Wilmington Trust, National Association, as Trustee, and Hawaiian Airlines, Inc. to Pass Through Trust Agreement, dated as of May 29, 2013 (filed as Exhibit 4.4 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.67 Trust Supplement No. 2013-1B-S, dated as of May 29, 2013, between Wilmington Trust, National Association, as Trustee, and Hawaiian Airlines, Inc. to Pass Through Trust Agreement, dated as of May 29, 2013 (filed as Exhibit 4.5 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.68 Revolving Credit Agreement (2013-1A), dated as of May 29, 2013, between Wilmington Trust, National Association, as subordination agent, as agent and trustee, and as borrower, and Natixis S.A., acting via its New York Branch, as liquidity provider (filed as Exhibit 4.6 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.69 Revolving Credit Agreement (2013-1B), dated as of May 29, 2013, between Wilmington Trust, National Association, as subordination agent, as agent and trustee, and as borrower, and Natixis S.A., acting via its New York Branch, as liquidity provider (filed as Exhibit 4.7 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.70 Intercreditor Agreement, dated as of May 29, 2013, among Wilmington Trust, National Association, as trustee, Natixis S.A., acting via its New York Branch, as liquidity provider, and Wilmington Trust, National Association, as subordination agent and trustee (filed as Exhibit 4.8 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.71 Deposit Agreement (Class A), dated as of May 29, 2013, between Wells Fargo Bank Northwest, National Association, as escrow agent, and Natixis S.A., acting via its New York Branch, as depositary (filed as Exhibit 4.9 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.72 Deposit Agreement (Class B), dated as of May 29, 2013, between Wells Fargo Bank Northwest, National Association, as escrow agent, and Natixis S.A., acting via its New York Branch, as depositary (filed as Exhibit 4.10 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
- 10.73 Escrow and Paying Agent Agreement (Class A), dated as of May 29, 2013, among Wells Fargo Bank Northwest, National Association, as escrow agent, Citigroup Global Markets Inc., Goldman, Sachs & Co.

and Morgan Stanley & Co. LLC, for themselves and on behalf of the several Underwriters of the Certificates, Wilmington Trust, National Association, as trustee, and Wilmington Trust, National Association, as paying agent (filed as Exhibit 4.11 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*

10.74 Escrow and Paying Agent Agreement (Class B), dated as of May 29, 2013, among Wells Fargo Bank Northwest, National Association, as escrow agent, Citigroup Global Markets Inc., Goldman, Sachs & Co. and Morgan Stanley & Co. LLC, for themselves and on behalf of the several Underwriters of the Certificates, Wilmington Trust, National Association, as trustee, and Wilmington Trust, National Association, as paying agent (filed as Exhibit 4.12 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*

10.75 Note Purchase Agreement, dated as of May 29, 2013, among Hawaiian Airlines, Inc., Wilmington Trust, National Association, as trustee, Wilmington Trust, National Association, as subordination agent, Wells Fargo Bank Northwest, National Association, as escrow agent, and Wilmington Trust, National Association, as paying agent (filed as the Exhibit 4.13 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*

10.76 Form of Participation Agreement (Participation Agreement between Hawaiian Airlines, Inc. and Wilmington Trust, National Association, as mortgagee, subordination agent and trustee) (Exhibit B to Note Purchase Agreement) (filed as Exhibit 4.14 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*

10.77 Form of Indenture (Trust Indenture and Mortgage between Hawaiian Airlines, Inc. and Wilmington Trust, National Association, as mortgagee and securities intermediary) (Exhibit C to Note Purchase Agreement) (filed Exhibit 4.15 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*

Table of Contents

10.78	Form of Hawaiian Airlines Pass Through Certificate, Series 2013-1A-O (filed as Exhibit 4.16 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
10.79	Form of Hawaiian Airlines Pass Through Certificate, Series 2013-1B-O (filed as Exhibit 4.17 to the Form 8-K filed by Hawaiian Holdings, Inc. on May 31, 2013).*
10.80	Agreement dated December 11, 2013 by and among Hawaiian Holdings, Inc., Hirzel Capital Management LLC and Zac S. Hirzel. (filed as Exhibit 10.1 to the form 8-K filed by Hawaiian Holdings, Inc. on December 11, 2013).*
10.81	Credit and Guaranty Agreement dated as of November 7, 2014 among Hawaiian Airlines, Inc., Hawaiian Holdings, Inc., certain other subsidiaries of Hawaiian Holdings, Inc, the lenders party thereto and Citibank, N.A.‡
10.82	General Terms Agreement, dated as of December 17, 2014, between Rolls-Royce PLC, Rolls-Royce TotalCare Services Limited and Hawaiian Airlines, Inc. for Trent 7000 Engines.‡
12	Computation of ratio of earnings to fixed charges for the years ended December 31, 2014, 2013, 2012, 2011, and 2010.
21.1	List of Subsidiaries of Hawaiian Holdings, Inc.
23.1	Consent of Ernst & Young LLP.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Valuation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

+ These exhibits relate to management contracts or compensatory plans or arrangements.

* Previously filed; incorporated herein by reference.

‡ Confidential treatment has been requested for a portion of this exhibit.

Table of Contents

Schedule II—Hawaiian Holdings, Inc.

Valuation and Qualifying Accounts

Years Ended December 31, 2014, 2013 and 2012

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
Description	Balance at Beginning of Year	(1) Charged to Costs and Expenses	(2) Charged to Other Accounts	Deductions	Balance at End of Year
	(in thousands)				
Allowance for Doubtful Accounts					
2014	\$ 101	593	—	(559)	) (a) \$ 135
2013	\$ 371	292	—	(562)	) (a) \$ 101
2012	\$ 630	185	—	(444)	) (a) \$ 371
Allowance for Obsolescence of Flight Equipment Expendable Parts and Supplies					
2014	\$ 12,801	2,193	(b) —	(495)	) (c) \$ 14,499
2013	\$ 10,963	2,471	(b) —	(633)	) (c) \$ 12,801
2012	\$ 8,824	2,388	(b) —	(249)	) (c) \$ 10,963

(a) Doubtful accounts written off, net of recoveries.

(b) Obsolescence reserve for Hawaiian flight equipment expendable parts and supplies.

(c) Spare parts and supplies written off against the allowance for obsolescence.

Note, the Company did not have a tax valuation allowance for the years ended December 31, 2014, 2013 and 2012.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HAWAIIAN HOLDINGS, INC.

February 9, 2015

By /s/ SHANNON L. OKINAKA
Shannon L. Okinaka
Senior Vice President, Interim Chief Financial
Officer and Treasurer (Principal Financial and
Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on February 9, 2015.

Signature	Title
/s/ MARK B. DUNKERLEY Mark B. Dunkerley	President and Chief Executive Officer, and Director (Principal Executive Officer)
/s/ SHANNON L. OKINAKA Shannon L. Okinaka	Senior Vice President, Interim Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
/s/ LAWRENCE S. HERSHFIELD Lawrence S. Hershfield	Chair of the Board of Directors
/s/ GREGORY S. ANDERSON Gregory S. Anderson	Director
/s/ ZAC S. HIRZEL Zac S. Hirzel	Director
/s/ RANDALL L. JENSON Randall L. Jenson	Director
/s/ BERT T. KOBAYASHI, JR. Bert T. Kobayashi, Jr.	Director
/s/ TOMOYUKI MORIIZUMI Tomoyuki Moriizumi	Director
/s/ SAMSON POOMAIHEALANI Samson Poomaihealani	Director
/s/ CRYSTAL K. ROSE Crystal K. Rose	Director
/s/ WILLIAM S. SWELBAR William S. Swelbar	Director
/s/ DUANE E. WOERTH Duane E. Woerth	Director
/s/ RICHARD N. ZWERN Richard N. Zwern	Director