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Matson's 2009 Westbound Guam/CNMI Service Rates to Increase by \$120 per Container

OAKLAND, CA - Matson Navigation Company announced today that it will raise its rates for the company's Guam/CNMI service by \$120 per westbound and eastbound container, effective February 1, 2009. The increase will be filed with the Surface Transportation Board. The rate increase also applies to Saipan, Tinian and Rota. In addition, Matson will raise its West Coast terminal handling charge by \$175 both westbound and eastbound containers, also effective February 1, 2009. Matson also will implement a new crane surcharge of \$125 per container, which is designed to help recover costs associated with the purchase and operation of three gantry cranes in the port of Guam; the new charge will be implemented in March 2009, when the cranes have commenced operations.

"This rate increase will help offset rises in operating costs and support ongoing investments in our Guam service," said Dave Hoppes, senior vice president, ocean services. "Given the essential role ocean transportation has in supporting Guam's economy, Matson has continued to make significant investments in upgrading its fleet. In the past six years, Matson has invested over \$500 million in four new containerships, all of which are currently deployed in Matson's Guam service. Matson also continues to invest in new container equipment and information technology. These investments will ensure that Guam's economy is supported by a modern, reliable ocean transportation infrastructure that will efficiently accommodate the projected growth in coming years due to the planned military build up in the region."

Matson's terminal handling charge was first implemented in 2003 and is designed to recover a portion of the extraordinary costs associated with the movement of cargo through terminals. This charge is standard in the industry and appears as a separate line item at the bottom of the company's freight bills.

"Terminal handling costs comprise over 40 percent of Matson's operating costs," said Hoppes. "Matson continues to absorb most of the costs associated with terminal operations, the majority of which are driven by factors that are outside of our control, but needs to pass on some of the increased expenses to our customers."

In order to support Guam's infrastructure, three gantry cranes have been purchased by Matson and Horizon Lines from the Port of Los Angeles and are currently being refurbished, with delivery to Guam scheduled for early next year. The cranes will ensure the port's infrastructure will be equipped with reliable, efficient container handling capabilities that can effectively manage the projected growth in cargo throughput in the coming years. The new fee will be used to finance Matson's portion of the investment in the three gantry cranes.

Matson is a wholly owned subsidiary of Alexander & Baldwin, Inc. of Honolulu (NYSE: AXB).

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