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New Garage on M.V. Mokihana Increases Matson's Hawaii Ro-Ro Capacity by 120 Percent

OAKLAND, CA -- Matson Navigation Company's MV Mokihana has re-entered the company's Hawaii service following modification work that involved adding a new auto garage. The new design increases Matson's Hawaii roll on-roll off ("ro-ro") capacity by 1,200 autos and provides new service features and efficiencies in addition to the ability to carry 1,000 containers.

The fleet enhancement is part of a multi-phase program commenced in 2003 that provides Matson's auto customers two essential service features: frequency of service and ro-ro capacity. In addition to the modifications to the Mokihana, Matson has also invested in an above-deck garage for its S.S. Lurline, made shoreside facility improvements and developed a new information technology platform for auto shipments.

"Matson's Mokihana is one of the largest vessels in our fleet and is diesel-powered, making it more fuel efficient," said Dave Hoppes, senior vice president, ocean services. "With the addition of garage capacity, the combination vessel will provide the fastest and most economical method of shipping vehicles. As with pure car carriers, the garage features a fully enclosed garage, ventilation, lighting and various safety components to minimize damage in transit. The Mokihana is capable of carrying a wide variety of autos and rolling stock cargo, including large trailers and oversized vehicles and will complement Matson's other two combination ro-ro and container vessels, the Lurline and Matsonia. With these three flexible ro-ro/container ships, Matson can now offer greater frequency of service and greater customization in shipping solutions. And as we see greater volatility in the Hawaii auto market, we are pleased to note that the vessel's capacity, revenue and profitability are not tied solely to vehicle shipments."

Matson introduced ro-ro service to Hawaii in 1973 and is the state's leading carrier for both containers and automobiles. The modified Mokihana represents a long history of innovation and market-leading auto carriage service, including: direct ro-ro service to and from Maui and the Big Island of Hawaii and the West Coast, which reduces transit time and eliminates the transshipment process; investments in new technology for auto carriers through Matson's proprietary software, VINsight, which provides real time information on the status of all autos in Matson's transportation network; and special, web-based technologies that allow private owners of vehicles to easily book, track and pay for their auto transport.

"Matson is gratified that it continues to earn the support of most of the major auto manufacturers, and will honor this support with a commitment to superior auto carriage," added Hoppes. Matson has multi-year agreements with Ford Motor Company and General Motors for the carriage of their vehicles to and from Hawaii and while the specifics of the agreements are confidential, they encompass service to all of Hawaii, including the Neighbor Islands. The Ford agreement includes Volvo cars, Jaguar and Land Rover. "We were honored earlier this year with GM's Supplier of the Year award and have been certified under Ford's prestigious Q1 program for several years. These awards reflect the level of customer support we offer, and to the investments we make in our ships, technologies and people," said Hoppes. In addition to GM and Ford, Matson has multi-year agreements with Dollar Thrifty Group, BMW, Mercedes Benz, Toyota and Nissan.

Matson provides ocean transportation, intermodal and logistics services. Matson is a wholly owned subsidiary of Alexander & Baldwin, Inc. of Honolulu (NASDAQ: ALEX).

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