



November 25, 2008

Matson's 2009 Westbound Hawaii 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 Hawaii service by \$120 per westbound container and \$60 per eastbound container, effective January 4, 2009. Matson estimates that this increase will raise rates by an average of 3.9 percent. The increase will be filed with the Surface Transportation Board. In addition, Matson will raise its terminal handling charge by \$175 per westbound container and \$90 per eastbound container, also effective January 4, 2009.

"This rate increase will help offset rises in operating costs and support ongoing investments in our Hawaii service," said Dave Hoppes, senior vice president, ocean services. "This rate adjustment is consistent with our longstanding philosophy of implementing modest, incremental increases as necessary. Given the essential role ocean transportation has in supporting the state's economic activities, Matson's primary business objective remains focused on ensuring the company's services are among the best in the world. Since 2003, Matson has invested nearly \$600 million in fleet enhancements, including over \$500 million for construction of four new containerships. Matson also continues to invest in new container equipment, information technology and enhancements to its Neighbor Island fleet and terminal facilities."

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 approximately 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."

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

Jeff Hull, public relations
(510) 628-4534