UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 6, 2016**

MATSON, INC.

(Exact Name of Registrant as Specified in its Charter)

HAWAII	**001-34187**	**99-0032630**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1411 Sand Island Parkway **Honolulu, Hawaii**	**96819**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number including area code: **(808) 848-1211**

(Former Name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

Matson, Inc. ("Matson" or the "Company") will host research analysts and institutional investors for an operations tour and an overview of the Company at certain Matson facilities in the Pacific Northwest on October 6, 2016 and October 7, 2016. Matson will be using the presentation materials attached as Exhibit 99.1 to this Form 8-K. The presentation materials are available on Matson's website at http://investor.matson.com/events.cfm. The information set forth in these materials speaks only as of October 6, 2016.

Statements in this Form 8-K and the attached exhibit that are not historical facts are "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Factors that could cause actual results to differ materially from those contemplated in the statements include, without limitation, those described on pages 8-15 of the Form 10-K filed by Matson on February 26, 2016 and pages 22-23 of the Form 10-Q filed by Matson on August 3, 2016. These forward-looking statements are not guarantees of future performance. Actual results could differ materially from those anticipated in the forward-looking statements and future results could differ materially from historical performance.

Item 9.01. Financial Statements and Exhibits.

(a) — (c) Not applicable.

(d) Exhibits.

The exhibit listed below is being furnished with this Form 8-K.

99.1 Analyst Day Presentation

SIGNATURE

Pursuant to the requirements 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 hereunto duly authorized.

MATSON, INC.

/s/ Joel M. Wine
Joel M. Wine
Senior Vice President and Chief Financial Officer

Dated: October 6, 2016

Matson

Pacific Northwest Analyst and Investor Tour – October 2016

Forward Looking Statements

Statements made during this presentation that set forth expectations, predictions, projections or are about future events are based on facts and situations that are known to us as of October 6, 2016.

We believe that our expectations and assumptions are reasonable. Actual results may differ materially, due to risks and uncertainties, such as those described on pages 8-15 of the 2015 Form 10-K filed on February 26, 2016, on pages 22-23 of the Form 10-Q filed on August 3, 2016, and other subsequent filings by Matson with the SEC. Statements made during this presentation are not guarantees of future performance.

We do not undertake any obligation to update our forward-looking statements.

Event Agenda

1. Introduction and Overview of Matson Growth Initiatives a) Hawaii Fleet Renewal Program b) Alaska Service Investments c) Acquisition and Organic Investment Framework	Matt Cox, President and CEO
2. Hawaii Fleet Renewal Program and Operations	Ron Forest, SVP Operations
3. Span Alaska Overview and Facility Tour	Tom Souply, President, Span Alaska
4. Financial Review	Joel Wine, SVP and CFO
5. Tacoma Terminal and Vessel Tour	Ron Forest, SVP Operations

Introduction and Overview of Matson Growth Initiatives

Matt Cox
President
and Chief Executive Officer

Matson.

Matson Today: Connecting the Pacific

OUR MISSION

- To move freight better than anyone

OUR VISION

To create shareholder value by:

- Being our customers' first choice
- Leveraging our core strengths to drive growth and increase profitability
- Improving the communities in which we work and live
- Being an environmental leader in our industry
- Being a great place to work

Investment Highlights

Unique network connecting the Pacific	• Leading U.S. carrier in the Pacific providing lifeline to economies of Hawaii, Alaska and Guam • Strong market positions in attractive niche markets with multi-decade customer relationships • Dual head-haul economics on China service
World class operator and premium service provider	• Well maintained fleet with leading on-time vessel arrivals and dedicated reserve vessels • Fastest transit and cargo availability creates 5 to 10 day advantage and premium rates for China service • Dedicated Hawaii Neighbor Island barge fleet and Micronesia feeder vessel • Dedicated terminals with best in class truck turns • Varied and ample equipment fleet across locations to meet customer needs
Significant cash flow generation	• Financial strength to invest in fleet renewal and equipment, pursue strategic opportunities and return capital to shareholders
Strong balance sheet	• Investment grade credit metrics

Leveraging the Matson brand and network into growth opportunities

Hawaii Fleet Renewal Program

- Matson is the leading carrier into Oahu and Neighbor Islands, providing "just-in-time" supply lifeline
  - 5 weekly USWC departures
- 11-ship fleet deployment offering most frequent and reliable service
  - Only containership service from Pacific Northwest and only direct containership service from Oakland
- Competitor's current vessel deployment
  - No longer offers Pacific Northwest or Oakland direct service
  - 3 weekly USWC containership departures
  - 4 active steamships, 1 active diesel ConRo vessel, 1 active diesel RoRo vessel

Matson's 11-Ship Deployment

Hawaii Fleet Renewal Program

- November 2013, ordered two 3600 TEU dual fuel, LNG capable “Aloha Class” containerships from Philly Shipyard
  - Delivery 3Q-18 and 1Q-19
- August 2016, ordered two 3500 TEU platform, dual fuel, LNG capable “Kanaloa Class” ConRo’s from NASSCO
  - Delivery 4Q-19 and 2Q-20
- Expected fleet renewal benefits:
  - Optimal Hawaii fleet size and vessel utilization
  - Completes Hawaii fleet renewal and removes reliance on near-end-of-life steamships
  - Improved fleet reliability
  - Improved weekly capacity balance

Aloha Class

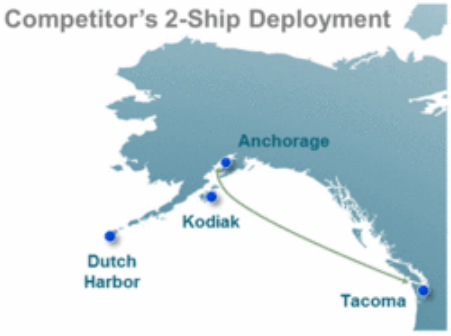
Kanaloa Class

Alaska Service Investments

- Similarities with Hawaii Market
  - Remote, non-contiguous economy dependent on reliable container service as part of vital supply lifeline
  - A market that values premium service
  - Loyal customer base; ~80% overlap with Matson's Hawaii customers
- Long-term Stable Revenue Profile
  - Northbound volume represents ~75% of total
  - Southbound volume more seasonal, driven by seafood industry
- Kodiak and Dutch Harbor operations are strategic
  - Critical lifeline to these communities
  - Important terminal and slot charter services for Maersk, APL and NYK

Matson's 3-Ship Deployment

Competitor's 2-Ship Deployment



Alaska Service Investments

- Since closing the Horizon acquisition in May 2015, Matson has made several investments to improve services and capabilities
- New 65-ton gantry cranes for Kodiak terminal
- Installation of exhaust gas scrubbers
  - Completed installation on two of the three diesel vessels *(MV Kodiak and MV Tacoma)*
  - *MV Anchorage* installation in progress, estimate completion in December 2016
- Purchased new ground equipment and a fleet of new dry and insulated containers

Matson's Strategic Acquisition Framework

Matson seeks to invest in niche businesses that:	Matson Acquisition of Alaska Service	SPAN ALASKA TRANSPORTATION LLC
• Have strong market positions	✓	✓
• Provide value-added services	✓	✓
• Demand high customer service differentiation	✓	✓
• Complement Matson's core businesses and allow for geographic and/or key product offering expansion	✓	✓
• Generate strong cash flows and ROIC	✓	✓

Matson's Organic Growth Framework

Matson seeks to grow organically into markets that:

	Launch of South Pacific Express (SPX) service
• Allow for geographic adjacencies or expansion	✓
• Depend on value-added, fast, reliable, differentiated service	✓
• Complement Matson's existing service offerings	✓
• Generate attractive ROIC	✓

SPX Service Launch – August 2016

- Connects Matson's US West Coast – Hawaii service to its South Pacific network
- Complements Matson's fortnightly Polynesian islands service
- Same-day-of-the-week arrivals every 28 days is the fastest transit time from US West Coast
- Sole US carrier service reaching Fiji from North America
- Limited capital investment required

Hawaii Fleet Renewal Program and Operations

Ron Forest
Senior Vice President
Operations

Matson.

Focus on Operational Excellence

Our Mission: To Move Freight Better than Anyone

Operations: Optimize network of assets to provide world-class service

1. Vessels

Fleet Efficiency

2. Terminals

Terminal Productivity

3. Equipment

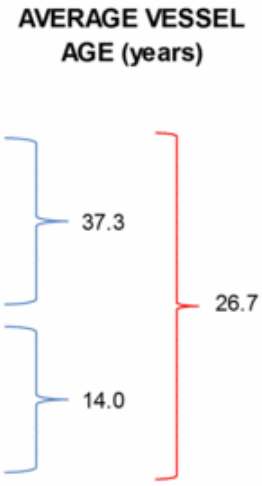
Varied and ample equipment fleet in required locations

Matson's Hawaii Fleet –Today

- Of the 11 ships actively deployed today, three are steamships with an average age over 40 years
  - Matson's steamships are deployed in Hawaii turnaround service
  - Matson's reserve vessels are all near end-of-life steamships

MATSON'S HAWAII FLEET - TODAY (11 SHIP DEPLOYMENT)

Vessel Name	Type	Built	Capacity (TEU)	Capacity (Autos)	Schedule
NAVIGATOR	Container - Steamship	1972	2,250		LA/HON
MOKIHANA	ConRo	1983	1,994	1,323	LA/HON
KAUAI	Container - Steamship	1980	1,644	44	OAK/HON
MATSONIA	ConRo - Steamship	1973	1,727	450	OAK/HON
MANOA	Container	1982	2,824		SEA/OAK/HON
MAHIMAHI	Container	1982	2,824		SEA/OAK/HON
MANULANI	Container	2005	2,378		LA/HON/GUAM/CHINA
MANUKAI	Container	2003	2,378		LA/HON/GUAM/CHINA
MAUNAWILI	Container	2004	2,378		LA/HON/GUAM/CHINA
MAUNALEI	Container	2006	1,992		LA/HON/GUAM/CHINA
R.J. PFEIFFER	Container	1992	2,245		LA/HON/GUAM/CHINA
MAUI	Container - Steamship	1978	1,644		Reserve
PRODUCER	Container - Steamship	1974	1,680		Reserve
LIHUE	Container - Steamship	1971	2,018		Reserve



Hawaii Fleet Renewal Considerations

- Beginning January 1, 2020, Matson's steamships will range in age from 40 to 49 years old and will not be able to comply with ECA emissions regulations, without substantial modification
- Matson's fleet renewal plans need to replace steamships and provide for a diesel powered reserve fleet
- Two timelines considered for completing Hawaii fleet renewal:
  1. **Build two Kanaloa Class ConRo's for delivery in 2020**
  2. Build Kanaloa Class for delivery in 2025 and invest substantial capital pre-2020 to modify steamships to comply with ECA requirements
- Expected benefits to building Kanaloa Class for delivery by 2020:
  - Avoid substantial capital spending on the modification of near-end-of-life steamships and additional dry-docking requirements
  - Benefit from operating one fewer vessel for the five year period
  - Benefit from the significantly lower operating costs of the Kanaloa Class vessels
  - Generate incremental rolling stock earnings starting in 2020

Matson's Hawaii Fleet Renewal Program

Aloha Class

- November 2013, ordered two 3600 TEU dual fuel, LNG capable containerships from Philly Shipyard
  - Average contract price $209 million per vessel
  - Delivery 3Q-18 and 1Q-19

Kanaloa Class

- August 2016, ordered two 3500 TEU platform, dual fuel, LNG capable ConRo's from NASSCO
  - Average contract price $255.5 million per vessel
  - Delivery 4Q-19 and 2Q-20

Aloha and Kanaloa Class – Purpose Built for Hawaii

- New vessel features to enhance Hawaii service
  - Good speed / power characteristics for efficiency and timely arrivals
  - Increased 45’ container capacity; Matson’s four new ships will have nearly double the 45’ capacity of the six ships they will be replacing
  - Increased reefer stowage options both on deck and below deck
  - Aloha Class will have cell guide spacing to permit over-wide flat rack stowage in two hatches
  - Kanaloa Class will have 9,650 sq. meter garage structure and self-contained stern ramp providing for consistent weekly Ro/Ro capacity

Matson's Hawaii Fleet – Pre and Post Renewal

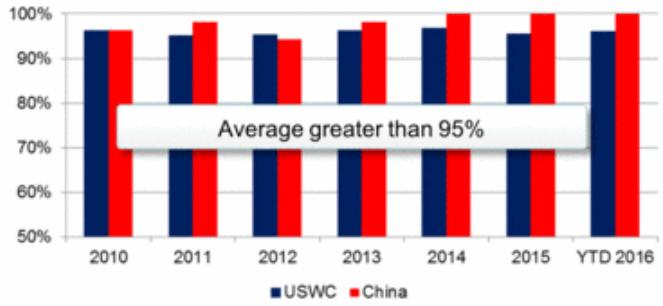
MATSON'S HAWAII FLEET	Today	2019 (Post delivery of Aloha Class)	2020 (Post delivery of Kanaloa Class)
# of Diesel Powered Vessels	8	8	5
# of Dual-fuel Capable Vessels	0	2	4
# of Steamships	3	0	0
# of Vessels Deployed	**11**	**10**	**9**
Total Capacity (TEU) Deployed	24,600	26,200	24,900
Average Age of Active Fleet (years)	**27**	**20**	**13**
Reserve Vessels	**4 near end-of-life steamships**	**7 near end-of-life steamships**	**3 diesel powered vessels**

Fleet Maintenance

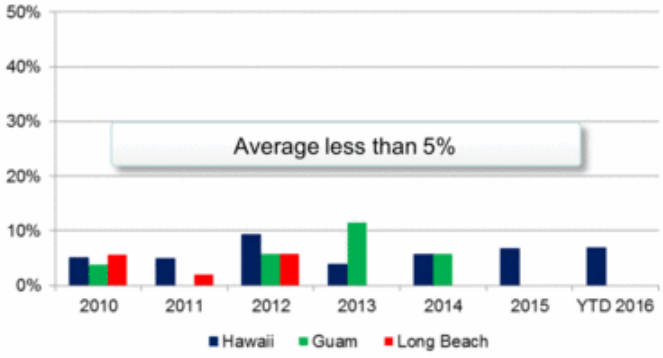
- Focus on reliability, longevity and cost control
  - Culture of safety
  - In-service and preventative maintenance programs
  - Knowledgeable engineering staff and crews
- Annual vessel down time has averaged less than 0.15% since 2010[1]
- Dry-docking requirements
  - Hawaii Fleet
    - Once in five years with Under Water Inspection in Lieu of Dry docking (UWILD)
  - Alaska Fleet
    - Twice in five years
  - Mix of foreign and domestic shipyards used
  - Highlights the importance of reserve vessels

Vessel Readiness

The percent of time vessels are mechanically ready to sail on time

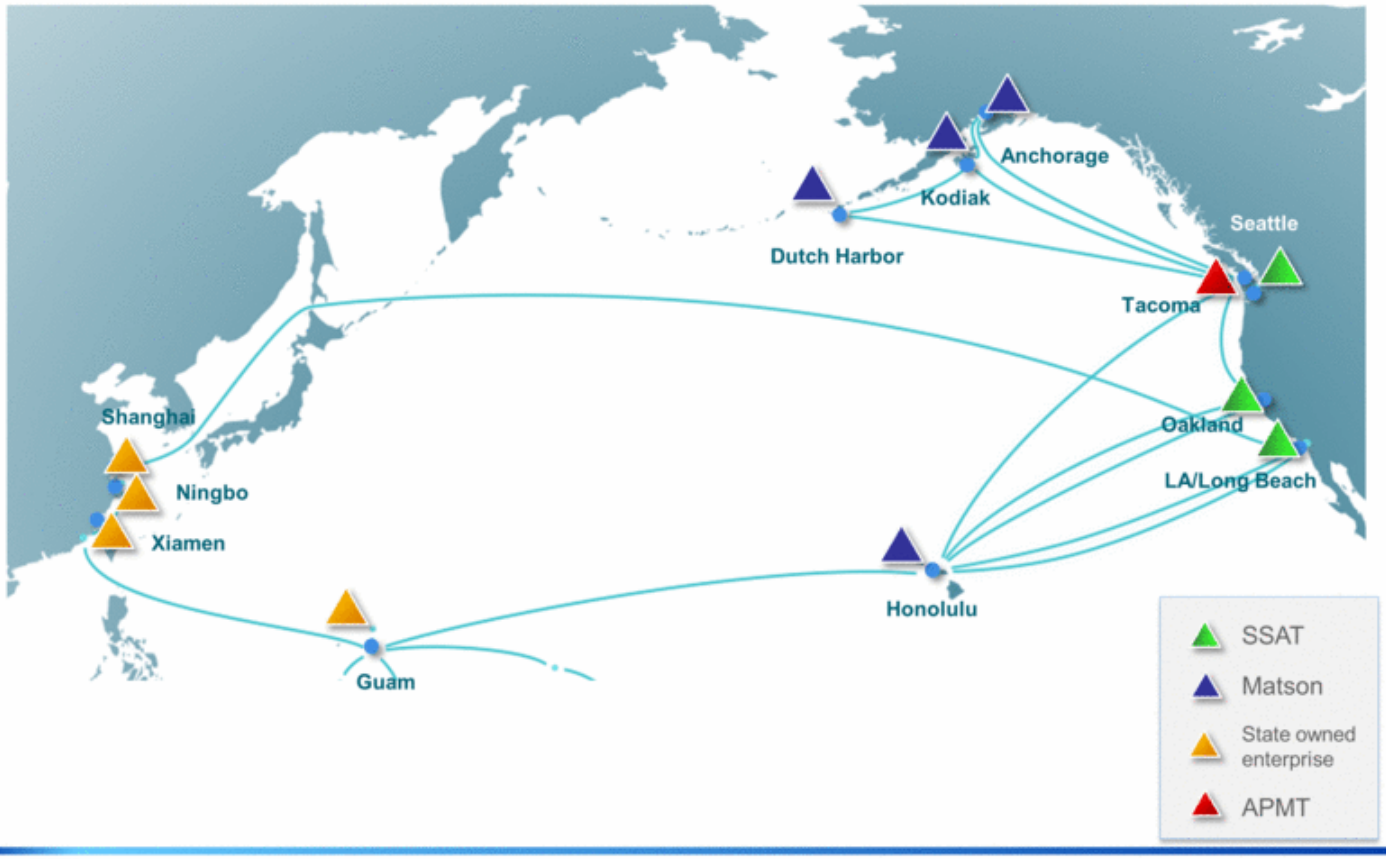


Delayed Arrivals Due to Mechanical Issues



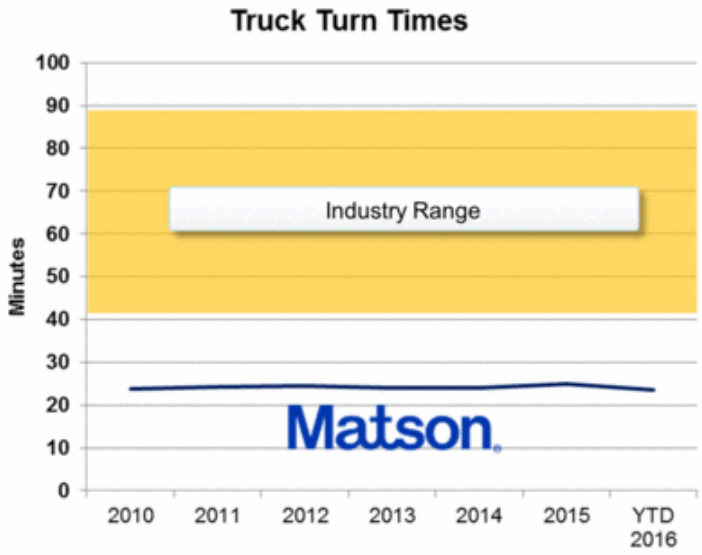
[1] *Vessel mechanical delay hours as a percent of total vessel operating hours*
YTD = Year to date as of September 23, 2016
Source: Management Estimates

Matson's Terminals



Strategic Benefits of Dedicated Terminals

- Guaranteed Berth/Cranes
  - Work on arrival
  - Quick turn of vessel
  - Maintain vessel schedule
- Fast Truck Turns
  - Customer satisfaction
  - Considered best in class
- Wheeled Operations
  - Immediate cargo availability
  - Quick yard turns
  - Own chassis
- Late Freight Receiving
  - Customer satisfaction
  - Expected in domestic trade



YTD = Year to date as of September 23, 2016
Source: Management Estimates

Varied and Ample Equipment Fleet

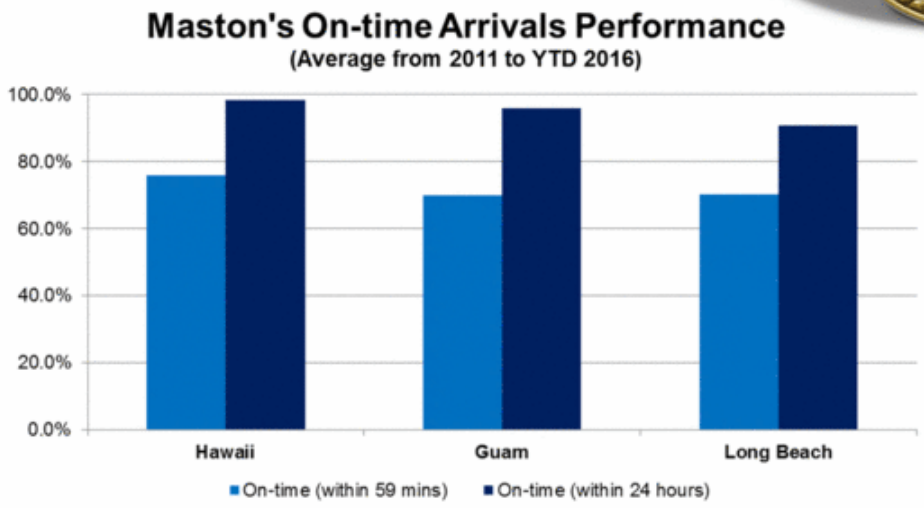
- Matson provides customers with the equipment they need, when and where they need it
- Asset management considerations
  - Amount of equipment
  - Size / type equipment
  - Own vs. lease
  - Repair vs. replace
  - Utilization / efficiency
- Location management considerations
  - Port standards
  - Balancing
  - Repositioning

Equipment Fleet Summary	September 2016	Approx. % Owned	Approx. % Leased
Chassis	23,400	50%	50%
Dry Containers	32,900	90%	10%
Reefers	9,100	50%	50%
Specialty	5,100	90%	10%
Gen Sets	1,900	100%	0%
Total	**72,400**	**70%**	**30%**

Source: Management Estimates

Industry Leading Fleet Performance

- On-time arrivals amongst best in world
  - Based on 59-minute window vs. industry standard of 24 hours
  - Weather = ~50% of misses
  - Matson ranked #1 Ocean Carrier in 2014, 2015 and 2016



YTD = Year to date as of September 23, 2016
Source: Management Estimates

Span Alaska Overview and Facility Tour

Tom Souply
President, Span Alaska

Matson.

Span Alaska Overview

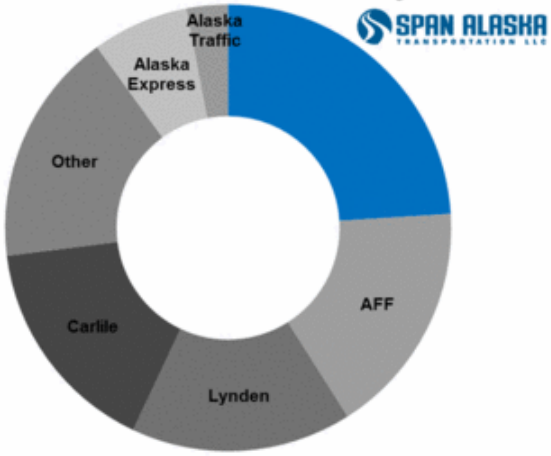
- Market leader providing Less-than-Container Load ("LCL") freight consolidation and forwarding services to the Alaska market
- Asset-light logistics business that aggregates LCL freight in Auburn, WA for consolidation and shipment to Alaska
- Moves freight through a network of terminals in Alaska, enabling the transport of freight to all major population centers
- Currently Matson's largest northbound freight customer
  - Has been a Horizon/Matson customer for over 30 years
  - Excellent management team with longstanding strong reputation in the market
- Acquired Pacific Alaska Freightways, Inc. ("PAF") in September 2015 which approximately doubled the size of the business

Span Alaska's Core Services

- Less-than-Container Load ("LCL") freight accounts for ~50% of the Alaska Northbound ocean freight market
- Diversified end market: Wholesale Distribution, Retail & Household Goods, Construction & Building Materials, Food & Beverage, Government, Oil, Vehicles

- LCL FREIGHT
  - 80% of goods transported to the Auburn terminal by customer-owned vehicles
  - Handles general cargo, keep-from-freezing, freeze & chill, and hazardous material handling for LCL shipments
- TRUCK SERVICES
  - Complements core LCL services
  - Drayage services to/from the Port of Tacoma
  - Transportation services between Span Alaska's deconsolidation facilities and customers' final destinations in Alaska
- OTHER LOGISTICS SERVICES
  - Brokered freight consolidation in the Lower 48 states through agent terminal in Chicago

Alaska Market for Consolidation and Delivery(1)



Source: Management estimates
(1) Includes consolidations, Alaska delivery for LCL, FCL, freeze & chill, and barge; excludes air freight

Span Alaska's Operations

- State-of-the-art Auburn Facility has more direct loading capability than any other competitor
- Largest Alaska-based sales team in the industry
- Extensive network of non-union terminals spanning the PNW handling nearly 12,000 containers and 237 million pounds in 2015
- Seven terminals with a total of 100,150 sq. feet, averaging ~75% maximum capacity utilization
- Full time employees ~213

Span Alaska Acquisition

- August 4, 2016 – Matson Logistics purchased 100% of Span Alaska
- Significantly expands Matson Logistics' asset light platform and enhances service offering
- Solidifies Matson's position as a critical freight transportation provider in the Alaska market

Purchase Price	• Cash purchase price of $197.6 million; no assumed debt • Present value of tax benefit related to step-up in tax basis of assets estimated at approximately $35 million
Transaction Multiples at Announcement	• ~9.4x estimated annual run-rate EBITDA as of July 18, 2016 of approximately $21 million – ~7.7x estimated annual run-rate EBITDA net of estimated tax benefit
EPS Accretion	• Immediate EPS accretion (excl. one-time items): – Expect approximately $0.10 to $0.12 annual EPS accretion

Span Alaska Acquisition – Financial Highlights

Stable Revenue Base

- Diversified customer base with no customer over 3% of annual revenue
- Top 25 customers account for less than 30% of annual revenue
- Long-standing relationships with limited customer turnover
- General cargo freight mix with less direct energy exposure

Efficient Operations With Strong Margins

- Excellent facility utilization across Auburn consolidation facility and Alaska deconsolidation facilities
- All facilities are leased, providing long-term flexibility for growth

Attractive Free Cash Flow and Earnings Accretion

- Strong free cash flow generation with limited on-going capex needs
  - As of July 18, 2016, estimated annual run-rate EBITDA of approximately $21 million
  - Expect capex of approximately $1 million per year
- Expect business to trend somewhat lower over the next year or two based on the challenging macroeconomic and freight dynamics in Alaska
- Expect annual EPS accretion (excl. one-time items) of approximately $0.10 to $0.12

Financial Review

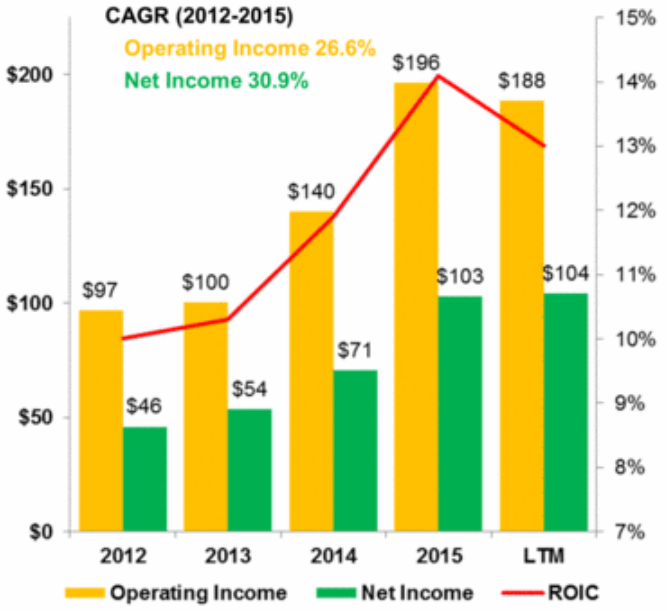
Joel Wine
Senior Vice President
and Chief Financial Officer

Matson.

Matson's Financial Performance

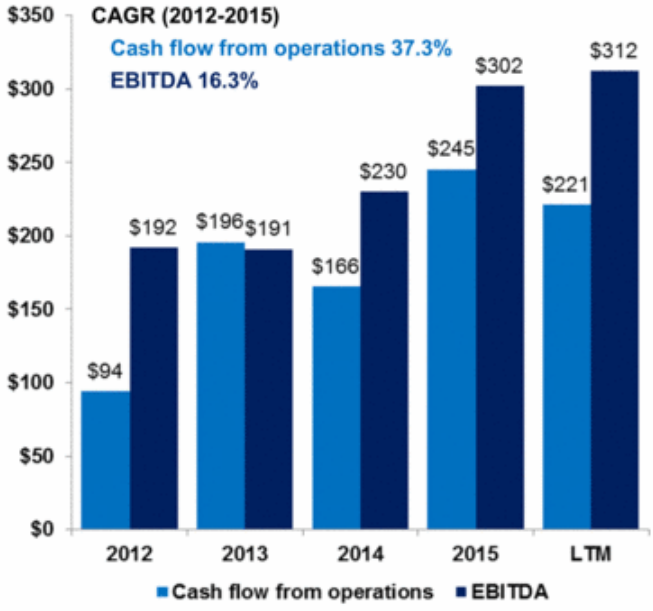
Operating Income, Net Income & ROIC

($ millions, except ROIC)



Cash Flow From Operations & EBITDA

($ millions)



See Addendum for a reconciliation of GAAP to non-GAAP for Financial Metrics

LTM = Last twelve months ended June 30, 2016

Pro Forma Capitalization – Span Alaska Acquisition

- Pro Forma Debt / EBITDA (Before Horizon acquisition SG&A and Molasses Settlement) below long-term targeted level of "low 2x's"
- Approximately $345 million of unused capacity under $400 million revolving credit facility

Pro Forma Capitalization as of 6/30/16 *($ in millions)*	MATX	SPAN Transaction [3]	September 14, 2016 Private Placement Financing [2]	Pro Forma
Revolving Credit Facility	$44.0	$202.6	($200.0)	$46.6
Term Loans	$359.3		$200.0	$559.3
Title XI Bonds	$57.2			$57.2
Capital Leases	$2.3	$1.3		$3.6
Total Debt	**$462.8**			**$666.7**
Less: Cash and Cash Equivalents	$19.2	$0.0	$0.0	$19.2
Net Debt	**$443.6**			**$647.5**
LTM EBITDA (Before Horizon Acquisition SG&A and Molasses Settlement) [1]	**$355.3**	**$21.0**		**$376.3**
Net Debt / EBITDA (Before Horizon Acquisition SG&A and Molasses Settlement) [1]	**1.2x**			**1.7x**
Debt / EBITDA (Before Horizon Acquisition SG&A and Molasses Settlement) [1]	**1.3x**			**1.8x**

(1) Based on Matson's LTM EBITDA (before Horizon acquisition related SG&A and Molasses Settlement) as of June 30, 2016 and current estimated annual run-rate EBITDA for SPAN

(2) Excludes private placement transaction fees. Transaction closed and was funded on September 14, 2016

(3) Purchase price of $197.6 million plus estimated one-time pre-tax transaction closing and integration costs of approximately $5.0 million

See the Addendum for a reconciliation of GAAP to non-GAAP for Financial Metrics

Access to Attractive Long-term Financing

- July 18, 2016, entered into a commitment letter to issue $200 million of 15-year senior unsecured notes; closed private placement on September 14, 2016
  - Weighted average life of approximately 8.5 years and interest rate of 3.14 percent
  - Proceeds expected to be used to pay down the Company's revolving credit facility and for general corporate purposes
  - Alleviates need for future financings to fund construction of the two Aloha Class vessels in progress; but still pursuing Title XI financing as an attractive add-on financing alternative
  - Maintains Matson's financial flexibility and low leverage to allow for additional access to capital in future to fund construction of the two Kanaloa Class vessels ordered to complete Hawaii fleet renewal

Estimated Progress Payment Schedule ($ in millions)	2H-16	2017	2018	2019	2020
Two Aloha Class Containerships	$55.0	$159.1	$154.1	$8.4	
Two Kanaloa Class Con-Ro Vessels	$25.6	$41.7	$199.5	$186.0	$58.2
Total New Vessel Progress Payments	$80.6	$200.8	$353.6	$194.4	$58.2

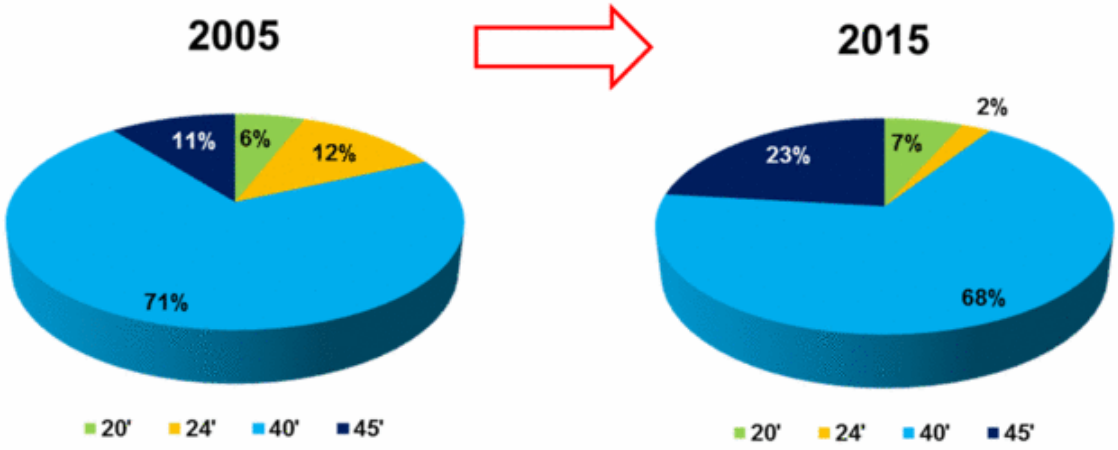
Recent Transpacific Market Developments

- Hanjin filed for bankruptcy on August 30th; created significant global market dislocation
  - Hanjin operated 98 ships globally, many ships still not discharged
  - Shanghai to LA/Long Beach capacity out of service
  - Customer concerns regarding financial issues at other carriers
- Other international carriers responded with extra loaders through October 1 to replace dislocated capacity
- Maersk, MSC, and Hyundai announced new services to replace the capacity removed by Hanjin in the Transpacific trade lane
- Matson's expedited China service differential returns to 5-10 day advantage
  - Hanjin's discontinued CAX service was the second fastest from Shanghai
- International containership market remains challenged by chronic overcapacity

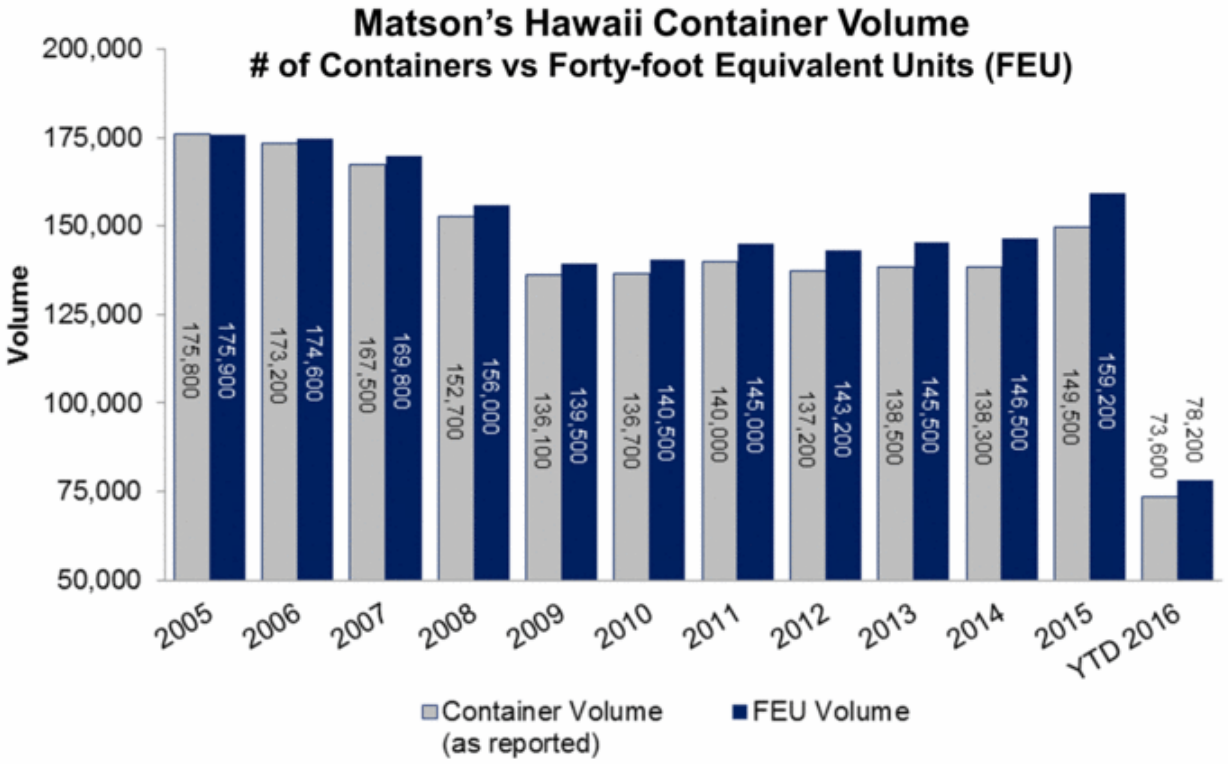
Hawaii Volume – Trend Toward Larger Containers

- In Hawaii, Matson's container mix has trended toward more 45' containers
  - 45' containers increased from ~11% of total volume in 2005 to ~23% in 2015
  - 24' container decreased from ~12% of total volume in 2005 to ~2% in 2015

Matson's Hawaii Container Mix by Size



Hawaii Volume – Trend Toward Larger Containers



See the Addendum for historical container volume and FEU volume by service

YTD 2016 as of June 30, 2016

Addendum

Addendum – Non-GAAP Measures

EBITDA

($ in millions)	2012	2013	2014	2015	LTM
Net Income	$45.9	$53.7	$70.8	$103.0	$104.2
Add: Loss From Discontinued Operations	$6.1				
Add: Income tax expense	$33.0	$32.2	$51.9	$74.8	$63.2
Add: Interest expense	$11.7	$14.4	$17.3	$18.5	$21.0
Add: Depreciation & amortization	$95.4	$91.0	$90.1	$105.8	$124.0
EBITDA	**$192.1**	**$191.3**	**$230.1**	**$302.1**	**$312.4**

Return on Invested Captial

($ in millions)	2012 [2]	2013	2014	2015	LTM
Net Income	$45.9	$53.7	$70.8	$103.0	$104.2
Add: Loss From Discontinued Operations	$6.1				
Add: Interest Expense (tax effected)[1]	$7.2	$9.0	$10.0	$10.7	$13.1
Total Return	$59.2	$62.7	$80.8	$113.7	$117.3
Average Total Debt	$319.1	$302.6	$329.9	$401.8	$489.7
Average Shareholders' Equity	$279.9	$309.1	$351.0	$407.1	$410.7
Total Invested Capital	$599.0	$611.7	$680.9	$808.9	$900.4
ROIC	**9.9%**	**10.3%**	**11.9%**	**14.1%**	**13.0%**

(1) The effective tax rate is 38.8% for 2012, 37.5% for 2013, 42.3% for 2014, 42.1% for 2015 and 37.8% for LTM

(2) The 2012 calculation is based on total invested capital as of December 31, 2012 due to the timing of the Separation

LTM = Last twelve months as of June 30, 2016

Addendum – Non-GAAP Measures

EBITDA (before Horizon Acquisition SG&A and Molasses Settlement) RECONCILIATION *(In millions)*		**Last Twelve Months Ended 6/30/16**
Net Income		$104.2
Add:	Income tax expense	63.2
Add:	Interest expense	21.0
Add:	Depreciation and amortization	94.8
Add:	Dry-dock amortization	29.2
EBITDA		$312.4
Add:	Horizon Acquisition related SG&A in excess of run-rate target	29.6
Add:	Molasses Settlement	13.3
EBITDA (before Horizon Acquisition SG&A and Molasses Settlement)		$355.3

Addendum – Matson's Historical Container Volume

Year	Hawaii		Guam		China		Micronesia & South Pacific		Alaska	
	Container Volume	FEU Volume	Container Volume	FEU Volume	Container Volume	FEU Volume	Container Volume	FEU Volume	Container Volume	FEU Volume
2005	175,800	175,900	16,600	16,000						
2006	173,200	174,600	15,100	14,500	32,700	34,300				
2007	167,500	169,800	14,600	14,600	51,200	54,100				
2008	152,700	156,000	13,900	13,800	47,800	50,400				
2009	136,100	139,500	14,100	13,900	46,600	49,100				
2010	136,700	140,500	15,200	15,500	60,000	63,300				
2011	140,000	145,000	15,200	15,500	59,000	62,100				
2012	137,200	143,200	25,500	26,400	60,000	63,400				
2013	138,500	145,500	24,100	25,400	61,300	64,400	12,800	11,201		
2014	138,300	146,500	24,600	26,000	62,000	65,200	14,800	11,614		
2015	149,500	159,200	24,200	25,400	59,200	62,700	14,000	13,056	39,100	40,300
YTD 2016*	73,600	78,200	11,400	12,000	25,700	27,100	6,600	6,637	31,600	34,300

*YTD as of June 30, 2016

FEU = Forty-foot equivalent unit

Addendum – Q&A relating to the Kanaloa Class vessel construction filed via 8-K on August 25, 2016

MATSON SIGNS CONTRACT WITH NASSCO TO BUILD TWO NEW CON-RO SHIPS FOR HAWAII SERVICE

The following questions and answers provide supplementary information related to Matson's news release issued on August 25, 2016:

1. Why is Matson ordering the Kanaloa Class vessels? What are the operational benefits?

Matson is investing in new vessels to continue the Company's long-standing commitment to serve Hawaii with the largest, most reliable, efficient and environmentally friendly fleet. The Company expects significant operational benefits upon the delivery of its two new Aloha Class containerships and its two new Kanaloa Class Con-Ro vessels, including:

- **Optimal Hawaii fleet size and vessel utilization:** The larger vessel capacities of the Aloha Class and the Kanaloa Class are expected to allow the Company to return to an optimal nine-ship deployment in its Hawaii service, which represents two fewer vessels than the 11 ships currently deployed.
- **Improves fleet reliability:** Upon delivery of the Aloha Class and the Kanaloa Class, the renewal of Matson's Hawaii fleet will be complete and the Company expects to benefit from improved vessel reliability as the average age of the Hawaii fleet will have declined from 27 years old today to only 13 years old in 2020.
- **Modernizes capacity capabilities:** The new Aloha Class and Kanaloa Class vessels have been designed to reflect the modern cargo requirements of Hawaii with additional 45-foot capacity and additional reefer outlets which are expected to allow Matson to better transport perishable goods to the islands. These vessels have also been designed to carry construction materials more effectively and with a wider beam to provide enhanced stability and loadability while reducing ballast water requirements.
- **Improves weekly capacity balance:** The Company expects to benefit from a more balanced weekly deployment with consistent roll-on, roll-off capacity which is expected to generate incremental rolling stock earnings.
- **Removes reliance on near-end-of-life steamships:** Upon delivery of the Kanaloa Class vessels, the Company expects to have three diesel-powered containerships as reserve vessels and, therefore, will no longer be reliant upon near-end-of-life steamships that will no longer comply with environmental regulations in 2020 without substantial modifications.

2. How did Matson select the shipyard for the Kanaloa Class vessels construction contract?

The Company was in discussions with a number of shipyards regarding the construction of these new Con-Ro vessels. Matson selected NASSCO as the successful shipyard based on an assessment of their proposal as the most competitive after taking into account several factors including contract price, vessel delivery dates, compliance with bid specifications, and other factors.

3. Why are the Kanaloa Class vessels more expensive than the Aloha Class vessels Matson ordered in November 2013?

The two Kanaloa Class Con-Ro vessels have an average contract price of $255.5 million per vessel compared to the two Aloha Class containerships ordered in November 2013 which had an average contact price of $209.0 million per vessel. The higher contract price for the Kanaloa Class vessels is primarily driven by the inclusion of a 9,650 sq. meter roll-on/roll-off garage structure and self-contained stern ramp with capacity to load up to 800 automobiles and other wheeled cargo. In addition, since November 2013 there are more stringent and costly environmental regulations that impact hull form and engine specification requirements, and lastly, there has been modest inflation in U.S. shipyard construction costs.

4. What are the expected financial returns to Matson from this investment in the Kanaloa Class vessels?

When complete, these new Kanaloa Class Con-Ro vessels are expected to have among the lowest operating cost per TEU of any ship in the U.S. domestic trades. The cost efficiencies are expected to be driven by our ability to return to an optimal nine-ship Hawaii fleet deployment and by significantly lower operating costs in areas such as fuel consumption, maintenance and repair, and dry-docking costs.
In considering the completion of its Hawaii fleet renewal, the Company evaluated its investment in the Kanaloa Class on two alternative timelines: (i) building for delivery in 2020 or (ii) building five years later for delivery in 2025. By investing in building the Kanaloa Class vessels for delivery by 2020, the Company expects to (i) avoid substantial capital spending on the modification of near-end-of-life steamships and additional dry-docking requirements; (ii) benefit from operating one fewer vessel for the five year period; (iii) benefit from the significantly lower operating costs of the Kanaloa Class vessels; and (iv) generate incremental rolling stock earnings starting in 2020. The Company believes the 2020 delivery alternative to be financially superior as it is expected to result in: (i) a net present value benefit of approximately $50 million compared to building five years later; and (ii) modest increases to total annual return on invested capital and accretion to earnings per share in the first full year and the subsequent years following delivery of the Kanaloa Class vessels.

5. Are the Kanaloa Class vessels being purchased for replacement purposes or expansion into new markets?

The two new Kanaloa Class Con-Ro vessels will have a loaded container capacity of 2,750 TEUs plus the capacity to load up to 800 automobiles and other wheeled cargo. The Kanaloa Class vessels are expected to replace three diesel-powered ships that are currently deployed in Matson's Hawaii service. Upon replacement, the Company expects those three diesel-powered ships would move to reserve status, allowing Matson to retire its seven steamship vessels that will no longer comply with environmental regulations in 2020 without substantial modifications.

6. How will the construction of the new Aloha Class containerships and the new Kanaloa Class Con-Ro vessels affect Matson's fleet deployment in the Hawaii trade?

Table 1.

MATSON'S HAWAII FLEET	Today	2019 (Post delivery of Aloha Class)	2020 (Post delivery of Kanaloa Class)
# of Diesel Powered Vessels	8	8	5
# of Dual-fuel Capable Vessels	0	2	4
# of Steamships	3	0	0
# of Vessels Deployed	**11**	**10**	**9**
Total Capacity (TEU) Deployed	24,600	26,200	24,900
Average Age of Active Fleet (years)	**27**	**20**	**13**
Reserve Vessels	**4 near end-of-life steamships**	**7 near end-of-life steamships**	**3 diesel powered vessels**

Today, Matson has 11-ships actively deployed in its Hawaii service including three steamships over 40 years old. In reserve, Matson currently has an additional four steamships over 40 years old. In 2019, Matson's fleet deployment is expected to shrink to 10-ships with the delivery of two new Aloha Class containerships that will replace the three active steamships currently deployed. However, in 2019, Matson would still be relying on near-end-of-life steamships as its reserve fleet which would require substantial modifications to maintain these ships after 2020. Upon delivery of these Kanaloa Class vessels in 2020, Matson expects its Hawaii fleet deployment to return to an optimal nine-ship deployment when the two new Kanaloa Class Con-Ro vessels deliver and replace three diesel-powered ships in active duty. Those three diesel-powered ships would then move to reserve status, allowing Matson to retire its seven steamship vessels that will no longer comply with environmental regulations in 2020 without substantial modifications.

7. What will the average age of Matson's Hawaii fleet be following the delivery of the Kanaloa class vessels?

As shown in Table 1, the average age of Matson's deployed fleet in Hawaii is expected to decrease from 27 years old today to 13 years old in 2020 after the delivery of the second Kanaloa Class vessel.

8. What will be the Company's future expected vessel replacement needs after these ships are delivered?

Upon delivery of the Aloha Class vessels and the Kanaloa Class vessels, the renewal of Matson's Hawaii fleet will be complete and the Company does not expect to need to order additional new vessels for the Hawaii tradelane until sometime after 2030. The Company expects its next vessel replacement requirements to be for the Alaska service sometime after 2025 when the three diesel powered containerships in active service will be approaching 40 years old.

9. What are Matson's total new vessel construction progress payments through the delivery of the Kanaloa Class vessels?

The expected annual construction progress payments for both the Aloha Class vessels and the Kanaloa Class vessels are shown below in Table 2.

Table 2.

Estimated Progress Payment Schedule ($ in millions)	2H-16	2017	2018	2019	2020
Two Aloha Class Containerships	$55.0	$159.1	$154.1	$8.4	
Two Kanaloa Class Con-Ro Vessels	$25.6	$41.7	$199.5	$186.0	$58.2
Total New Vessel Progress Payments	$80.6	$200.8	$353.6	$194.4	$58.2

10. How does Matson expect to finance the Kanaloa Class vessels? Does the company expect to use the Capital Construction Fund Program for the Kanaloa Vessels?

Matson expects to finance the Kanaloa Class vessels primarily through cash flows from operations, borrowing available under the Company's unsecured revolving credit facility and additional debt financings, which could include U.S. Government guaranteed vessel finance bonds (Title XI). In addition, Matson intends to utilize the Capital Construction Fund ("CCF") program as part of its funding strategy for the Kanaloa Class, which will allow the Company to benefit from lower cash tax payments in the years in which we make deposits to the CCF. (see Note 7 of the consolidated financial statements in the Company's 2015 Form 10-K filed on February 26, 2016 for additional information about the CCF)

11. What are the expectations for the Company's balance sheet leverage ratio between now and delivery?

The Company expects its Debt/EBITDA ratio (disclosed at 1.8x pro forma for the Span Acquisition on August 2, 2016) to increase above its long-term targeted level of the "low 2x's" during the new vessel construction period. However, following the delivery of the second Kanaloa Class Con-Ro vessel in mid-2020, the Company does not expect to order additional new vessels for any of its existing tradelanes for at least five years thereafter, during which time the Company expects its Debt/EBITDA ratio will decline to or below its long-term targeted level. (see Addendum for non-GAAP measures reconciliation)

12. What impact is the Kanaloa Class investment expected to have on Matson's capital allocation strategy during the vessel construction period?

The Company's maintenance capital spending is expected to remain in the range of $40 to $50 million per year on average for the fiscal years 2017 to 2020. The Company expects to maintain its approach to quarterly dividend throughout the new vessel construction period. On share repurchases, the Company expects to take a slower pace for its remaining approximately 1.9 million shares authorized for repurchase than the pace executed since the inception of the program on November 4, 2015.

Addendum – Q&A relating to the Kanaloa Class vessel construction filed via 8-K on August 25, 2016

Forward-Looking Statements

Certain information set forth in this communication, including vessel delivery dates, financial results, increased fleet efficiency, fleet deployment, future vessel replacement expectations, financings, and anticipated long-term borrowing levels and capital allocation strategies, constitutes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These estimates, expectations and statements are based upon the current beliefs and expectations of the management of Matson and are subject to risks and uncertainties that could cause actual results to differ materially from those expected in or suggested by such statements, including but not limited to risks and uncertainties relating to: the occurrence of any event, change or other circumstances that could give rise to the termination of the agreement for the Kanaloa Class vessel construction; the ability of the shipyards to construct and deliver the Aloha Class and Kanaloa Class vessels on the contemplated timeframes; regional, national and international economic conditions; changes in general economic and/or industry-specific conditions; conditions in the financial markets; changes in our credit profile and our future financial performance; our ability to obtain future debt financings; continuation of the Title XI and CCF programs; the impact of future and pending legislation, including environmental legislation; government regulations and investigations; repeal, substantial amendment or waiver of the Jones Act or its application, or our failure to maintain our status as a United States citizen under the Jones Act; and the occurrence of marine accidents, poor weather or natural disasters. These forward-looking statements are not guarantees of future performance. This communication should be read in conjunction with our Annual Report on Form 10-K and our other filings with the SEC through the date of this release, which identify important factors that could affect the forward-looking statements in this release. We do not undertake any obligation to update our forward-looking statements.