



May 26, 2015

Matson Announces Early Results of Tender Offer and Consent Solicitation for Horizon's Convertible Notes

HONOLULU, May 26, 2015 /PRNewswire/ -- Matson, Inc. ("Matson") (NYSE: MATX) announced today the early tender results of its previously announced cash tender offer (the "Tender Offer") and consent solicitation (the "Consent Solicitation," and together with the Tender Offer, the "Offer") by its wholly-owned subsidiary Matson Navigation Company, Inc. ("Matson Navigation") for any and all of the approximately \$2 million outstanding principal amount of 6.00% Series A Convertible Senior Secured Notes due 2017 (CUSIP Nos. 44044K AC5 and 44044K AG6) (the "Notes") of Horizon Lines, Inc. (the "Company" or "Horizon"). The Offer is being made in connection with Matson Navigation's previously announced agreement to acquire Horizon pursuant to the merger transaction as described below. The Offer is described in the Offer to Purchase and Consent Solicitation Statement dated May 18, 2015 (the "Statement"). The Offer is scheduled to expire at 11:59 p.m., New York City time, on the night of June 15, 2015 unless extended or earlier terminated (the "Expiration Time").



As of May 26, 2015, at 5:00 p.m., New York City time (the "Consent Expiration"), holders of approximately \$1,953,687 in aggregate principal amount of the Notes, representing approximately 98.13% of the aggregate principal amount of the outstanding Notes, had validly tendered and not validly withdrawn such Notes, and validly delivered and not validly revoked consents in respect of such Notes ("Consents") to the proposed amendments ("Proposed Amendments") to the indenture governing the Notes (the "Indenture"), pursuant to the Statement. Based on such tenders, sufficient Consents have been validly delivered and not validly revoked to approve the Proposed Amendments to the Indenture. As a result, the Company, the trustee and the collateral agent have executed a supplemental indenture (the "Supplemental Indenture") to amend the Indenture, setting forth the Proposed Amendments.

The Supplemental Indenture amends the Indenture to eliminate certain covenants and certain related provisions contained in the Indenture, and to provide for the release of the liens on the collateral that secure the Company's obligations with respect to the Notes. The Proposed Amendments will not become operative until the conditions to the Tender Offer are satisfied or waived including the consummation of the merger with Horizon.

The withdrawal deadline relating to the Offer occurred at 5:00 p.m., New York City time, on May 26, 2015 (the "Withdrawal Time"). Notes previously tendered and any Notes tendered after the Withdrawal Time may not be withdrawn unless withdrawal rights are required by applicable law. Any Notes not tendered and purchased pursuant to the Offer will remain outstanding.

Holders of the Notes (each, a "Holder" and collectively, the "Holders") who validly tendered (and did not validly withdraw) their Notes and validly delivered (and did not validly revoke) their Consents in respect of such Notes, at or prior to the Consent Expiration, will receive the total consideration of \$1,070 for each \$1,000 in principal amount of Notes validly tendered (which includes the consent payment of \$30 per \$1,000 in principal amount of Notes). Holders who validly tender (and do not validly withdraw) their Notes after the Consent Expiration but prior to the Expiration Time will not receive a consent payment, and will only be entitled to receive the tender offer consideration of \$1,040 per \$1,000 in principal amount of Notes. Holders whose Notes are purchased in the Offer will also receive accrued and unpaid interest from the last interest payment date for the Notes up to, but not including, the applicable settlement date.

The Offer is subject to, and conditioned upon, the satisfaction of or, where applicable, Matson Navigation's waiver of, certain conditions that are set forth in the Statement, including the consummation of the merger with Horizon, as described below. Upon the terms and subject to the conditions of the Offer, including the consummation of the merger with Horizon, Matson Navigation expects to accept for payment and pay for all of the Notes that were validly tendered and not validly withdrawn at or prior to the Consent Expiration on the initial settlement date, which is expected to be the day following the closing of the merger with Horizon.

RBC Capital Markets, LLC is serving as dealer manager and solicitation agent for the Offer. Persons with questions regarding the Offer should contact RBC Capital Markets, LLC at (877) 381-2099 (toll free) and (212) 618-7822 (collect). Requests for copies of the Statement or other tender offer materials may be directed to Ipreo LLC, the Information Agent and Depositary, at (888) 593-9546 (toll free).

This press release does not constitute an offer to purchase the Notes or a solicitation of Consents to amend the Indenture. The Offer is made solely pursuant to the Statement. The Tender Offer is not being made to Holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

The Merger

On November 11, 2014, Matson Navigation entered into an agreement and plan of merger (the "Merger Agreement") with the Company and a wholly owned subsidiary of Matson Navigation ("Merger Sub"). Pursuant to the terms of the Merger Agreement and subject to the satisfaction or waiver of the conditions contained therein, Merger Sub will be merged with and into the Company (such merger, the "Merger"). The Company will survive the Merger as a direct or indirect wholly owned subsidiary of Matson Navigation. If the Merger is consummated, each share of Company common stock issued and outstanding immediately prior to the effective time of the Merger (other than treasury shares of the Company and any shares of Company common stock owned by Matson Navigation or Merger Sub, and other than shares of Company common stock as to which dissenters' rights have been properly exercised) will be cancelled and converted automatically into the right to receive \$0.72 in cash, without interest, and subject to any withholding taxes, in accordance with the terms of the Merger Agreement. The consummation of the Merger is subject to various closing conditions, including, among others, the closing of The Pasha Group's acquisition of the Company's Hawaii trade lane business (the "Pasha Transaction"). The consummation of the Merger is not subject to a financing condition. The consummation of the Merger is a condition to the consummation of the Tender Offer. The effectiveness of the Proposed Amendments is not a condition to the consummation of the Merger or the other transactions contemplated by the Merger Agreement.

About Matson

Founded in 1882, Matson is a leading U.S. carrier in the Pacific. Matson provides a vital lifeline to the economies of Hawaii, Guam, Micronesia and select South Pacific islands, and operates a premium, expedited service from China to Southern California. Matson's fleet of 18 vessels includes containerships, combination container and roll-on/roll-off ships and custom-designed barges. Matson Logistics, established in 1987, extends the geographic reach of Matson's transportation network throughout the continental U.S. Its integrated, asset-light logistics services include rail intermodal, highway brokerage and warehousing. Additional information about Matson, Inc. is available at www.matson.com.

Forward Looking Statements

This press release contains forward-looking statements conveying management's expectations as to the future based on current plans, estimates and projections. Forward-looking statements involve inherent risks and uncertainties and each of Matson, Inc. and Matson Navigation cautions you that a number of important factors could cause actual results to differ materially from those contained in any such forward-looking statement. The forward-looking statements contained in this press release include statements related to the Merger, the Pasha Transaction, the Tender Offer and Consent Solicitation, including the Expiration Time, possible completion of the Tender Offer and Consent Solicitation, which is conditioned on consummation of the Merger with Horizon, and statements related to the redemption of the Notes, the amendment of the Indenture and execution of the Supplemental Indenture. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither Matson, Inc. nor Matson Navigation undertakes to update any of these statements in light of new information or future events, except, with respect to the Tender Offer and Consent Solicitation, as required by law.

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