



November 30, 2007

Matson's 2008 Westbound Hawaii Service Rates to Increase by \$75 per Container

OAKLAND, CA -- Matson Navigation Company announced today that it will raise its rates for the company's Hawaii service by \$75 per westbound container and \$40 per eastbound container, effective January 6, 2008. Matson estimates that this increase will raise rates by an average of 2.5 percent. The increase will be filed with the Surface Transportation Board. In addition, Matson will raise its terminal handling charge by \$125 per westbound container and \$60 per eastbound container, also effective January 6, 2008.

"This rate increase will help offset rises in operating costs and support a number of investments in our Hawaii service," said Dave Hoppes, senior vice president, ocean services. "Given the essential role ocean transportation has in supporting Hawaii's economy, Matson has continued to make significant investments in upgrading its fleet. In the past six years, Matson has awarded \$584 million to U.S. shipyards for fleet enhancements, including over \$500 million for construction of four new containerships. These investments will ensure Hawaii will be served with modern, reliable service for decades to come. 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 and today represent nearly \$300 million annually," said Hoppes. "In the past five years, terminal handling costs, which are driven by many factors that are outside of our control, have risen by 37 percent. Matson continues to absorb the vast majority of these increases, but needs to pass on some of the costs to our customers. Some of the increased costs actually went into effect in July 2007."

In 2008, an unprecedented number of government and regulatory issues, ranging from new trucking regulations in Southern California to state and federal environmental and security mandated programs, could have an additional impact on Matson's costs, some of which may be passed on to customers. Matson will carefully monitor these various initiatives and communicate the outcome should they be passed and implemented.

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

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