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Matson Investments Boost Alaska Operations

HONOLULU, July 28, 2015 /PRNewswire/ -- Matson, Inc. ("Matson" or the "Company") (NYSE: MATX), a leading U.S. carrier in the Pacific, is moving quickly to fund improvements in its new Alaska operations following its May 29 acquisition of Horizon Lines' Alaska services. Matson expects to invest more than \$30 million in new equipment planned by Horizon prior to its acquisition.



Equipment upgrades to be made over the next three months include:

- 2,000 new standard 40-foot dry containers for general cargo
- A new 65-ton gantry crane - the largest in Alaska - for Kodiak Terminal
- 430 new insulated containers for winter operations
- 2 new Kenworth tractors for Anchorage Terminal container positioning

In addition, Matson has scheduled work to install new exhaust scrubber systems on the three former Horizon D7 Class vessels it now operates in Alaska, with each vessel going into dry dock for three months, one after another, starting in September. The new equipment will help the vessels comply with the latest federal emissions regulations and will eliminate virtually all sulfur dioxide and particulate emissions. Matson will deploy a reserve container ship during the installation period to prevent any disruption to its twice weekly service from Tacoma to Anchorage and Kodiak and weekly service to Dutch Harbor. The modifications to all three ships are expected to be complete by December 2016.

While the company's new tractors and the first of its new dry containers are already in use, its new gantry crane is due to arrive in Kodiak in early August and its new insulated containers will be delivered in Anchorage in late October.

"Matson's mission is to move cargo better than anyone. These infrastructure investments will bring Alaska assets in line with our standards and help us deliver superior service to our customers," said Matt Cox, president and CEO.

Matson, Inc. announced its acquisition of Horizon Lines, Inc., which included Horizon's Alaska operations and the assumption of all non-Hawaii business, for \$469 million (before transaction costs) on May 29, 2015. Separately and immediately preceding the acquisition, Horizon completed the sale of its Hawaii trade lane assets and liabilities to The Pasha Group for \$141.5 million.

Matson is committed to continuing Horizon's long operating history in Alaska with a three vessel deployment of diesel powered Jones Act qualified containerships that provide two weekly sailings from Tacoma to Anchorage and Kodiak, and a weekly sailing to Dutch Harbor. In addition, Matson has retained Horizon personnel and maintained operations port terminals in Anchorage, Kodiak and Dutch Harbor and acquiring several reserve steam powered Jones Act containerships that may be used for dry-dock relief.

In 2014, Matson was rated the #1 ocean carrier in the world in Logistics Management's annual Quest for Quality Awards, considered by many the most prestigious industry award recognizing performance excellence and customer satisfaction.

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, Alaska, Guam, Micronesia and select South Pacific islands, and operates a premium, expedited service from China to Southern California. The Company's fleet of 25 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.

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