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Matson's 2010 Guam and Micronesia 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 Guam and Micronesia services by \$120 for both westbound and eastbound containers, effective January 31, 2010. The increase will be filed with the Surface Transportation Board and the Federal Maritime Commission. The rate increase also applies to the Commonwealth of the Northern Marianas Islands, the Republic of Palau, the Federated States of Micronesia and the Republic of the Marshall Islands. In addition, Matson will raise its West Coast terminal handling charge by \$125 for both westbound and eastbound containers, also effective January 31, 2010.

"This rate increase will help offset rises in operating costs and support ongoing investments in our Guam and Micronesia services," said Dave Hoppes, senior vice president, ocean services. "Given the essential role ocean transportation has in supporting this region's economy, Matson has continued to make significant investments in upgrading its fleet. In the past six years, Matson has invested over \$500 million in four new containerships, all of which are currently deployed in Matson's Guam service. Matson also continues to invest in new container equipment and information technology. These investments will ensure that Guam's economy is supported by a modern, reliable ocean transportation infrastructure that will efficiently accommodate the projected growth in coming years due to the planned military build up in the region."

Matson's terminal handling charge was first implemented in 2003 and is designed to recover a portion of the 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 over 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 expenses to our customers."

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

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