



November 13, 2007

## **Continued Surges in Fuel Costs Require Matson to Revise Planned Increase in Fuel Related Surcharge by an Additional Three Percentage Points**

OAKLAND, CA -- With fuel related costs continuing to escalate to record highs, Matson Navigation Company announced today that it is revising its previously announced adjustment to its fuel related surcharge by increasing it by an additional three percentage points, and has postponed the effective date to December 14, 2007. The fuel related surcharge applies to the company's Hawaii, Guam/CNMI and Micronesia services. On October 19, Matson announced it would increase its current surcharge by two percentage points, from 24 to 26 percent, effective December 2, 2007. With the revised increase, Matson's fuel related surcharge will increase by five percentage points, from 24 to 29 percent.

"Our decision to revise our previously announced increase in our fuel related surcharge is driven entirely by unprecedented demands for oil in the world market," said Dave Hoppes, senior vice president, ocean services. "Since making our initial announcement on October 19, fuel costs have risen an additional 24 percent. In total, Matson's fuel related costs have risen over 36 percent since our last adjustment was announced in July. These rises in fuel prices comprise a large component of operating costs for the transportation industry, both on land and at sea. The recent spikes have been unusually dramatic and we recognize the impact they have on our customers and consumers in general. Unfortunately, the costs are unavoidable and outside Matson's control. We will continue to monitor fuel prices and adjust the fuel related surcharge accordingly. If fuel costs remain at this extraordinary level, it will be necessary for Matson to take another increase in January."

Matson provides ocean transportation, intermodal and logistics services. Matson is a wholly owned subsidiary of Alexander & Baldwin, Inc. of Honolulu (NASDAQ: ALEX).

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