



May 18, 2015

## **Matson Announces Tender Offer And Consent Solicitation for Horizon's Convertible Notes**

HONOLULU, May 18, 2015 /PRNewswire/ -- Matson, Inc. ("Matson") (NYSE: MATX) announced today that its wholly-owned subsidiary Matson Navigation Company, Inc. ("Matson Navigation") has commenced a cash tender offer (the "Tender Offer") and consent solicitation (the "Consent Solicitation," and together with the Tender Offer, the "Offer") 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 will 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").



Holders of the Notes (each, a "Holder" and collectively, the "Holders") who validly tender (and do not validly withdraw) their Notes and deliver (and do not validly revoke) their consents (the "Consents") to the proposed amendments (collectively, the "Proposed Amendments") to the indenture governing the Notes (the "Indenture") prior to the consent payment deadline of 5:00 p.m., New York City time, on May 26, 2015, unless extended (the "Consent Expiration"), will receive the total consideration of \$1,040 per \$1,000 principal amount of the Notes, which includes a consent payment of \$30 per \$1,000 principal amount of the Notes, plus any accrued and unpaid interest from the last interest payment date on the Notes up to, but not including, the settlement date for such Notes. The Offer contemplates an early settlement option, such that any Holders who validly tender Notes and deliver Consents prior to the Consent Expiration that are accepted for purchase could receive payment as early as May 27, 2015.

Holders who validly tender (and do not validly withdraw) their Notes after the Consent Expiration but prior to the Expiration Time will be entitled to receive the tender offer consideration of \$1,040 per \$1,000 principal amount of the Notes, plus any accrued and unpaid interest on the Notes up to, but not including, the settlement date for such Notes. Holders of Notes tendered after the Consent Expiration will not receive a consent payment.

Certain of the Proposed Amendments to the Indenture (the "Base Amendments") require the Consent of Holders of at least a majority of the outstanding principal amount of the Notes (the "Requisite Base Consents"). The remainder of the Proposed Amendments to the Indenture (the "Collateral Amendments") require the Consent of Holders of at least 90% of the outstanding principal amount of the Notes (the "Requisite Collateral Consents"). If Matson Navigation obtains at least the Requisite Base Consents, the Company will execute a supplemental indenture (the "Supplemental Indenture") effecting the Base Amendments. If Matson Navigation obtains the Requisite Collateral Consents, the Supplemental Indenture will also effect the Collateral Amendments.

Any Notes not tendered and purchased pursuant to the Tender Offer will remain outstanding. Except in certain circumstances as required by applicable law, tendered Notes may not be withdrawn and delivered Consents may not be revoked on or after 5:00 p.m., New York City time, on May 26, 2015.

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.

Matson Navigation has engaged RBC Capital Markets, LLC to serve 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 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 the Company**

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 22 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](http://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, Tender Offer and Consent Solicitation, including the Expiration Time, Consent Expiration and possible completion of the Tender Offer and Consent Solicitation, which is conditioned on consummation of the Merger with Horizon. 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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To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/matson-announces-tender-offer-and-consent-solicitation-for-horizons-convertible-notes-300085387.html>

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