



ALEXANDER & BALDWIN

Matson to Increase Fuel Surcharge by 1 Percent

September 3, 2003

SAN FRANCISCO – September 3, 2003 -- Due to dramatic increases in fuel prices, Matson Navigation Company, Inc. (Matson) today announced that it is raising its fuel surcharge from 6.5 to 7.5 percent in its Hawaii and Guam services effective September 15, 2003.

"As anyone who drives a car is well aware, fuel prices have been rising steadily in recent months," said Dave Hoppes, vice president, ocean services. "For transportation companies, the costs are especially significant. Matson burns approximately 1.9 million barrels of fuel annually. For every dollar increase per barrel of bunker fuel, Matson experiences an approximate \$1.9 million increase in annual operating costs. We cannot continue to absorb these additional fuel-related operating costs. We will continue to monitor fuel costs and adjust the surcharge accordingly."

Historically, Matson has adjusted its fuel surcharges up or down based on established trends in oil prices. In May 2003, Matson lowered its fuel surcharge from 7.5 to 6.5 percent, based on a downward trend in fuel prices.

Matson provides ocean transportation, intermodal and logistics services in U.S. domestic markets. For more information, please visit Matson's Web site at www.matson.com. Matson is a wholly owned subsidiary of Alexander & Baldwin, Inc. of Honolulu (NASDAQ: ALEX).

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