



ALEXANDER & BALDWIN

New Program Will Assess Fuel Costs Quarterly; Matson to Raise Fuel Surcharge by 1.3 Percent

April 1, 2005

OAKLAND, Calif.--(BUSINESS WIRE)--April 1, 2005--Due to sustained increases in fuel costs, Matson will raise its fuel surcharge in its Hawaii and Guam/Commonwealth of Northern Mariana Islands (CNMI) services from 9.2 to 10.5 percent, effective April 18, 2005. Matson also announced that it is implementing a new program in which fuel costs will be reviewed on a quarterly basis, with the fuel surcharge adjusted accordingly, up or down.

"Record high fuel prices have been widely reported in the media and is a subject that touches virtually all consumers," said Dave Hoppes, vice president, ocean services. "For transportation companies, fuel consumption is an unavoidable and significant component of operating costs. Many of the major railroads, trucking companies and international ocean carriers currently have fuel surcharges exceeding 13 percent. While we continue to invest in modern, fuel-efficient vessels that help reduce our overall fuel consumption, the impact of fuel prices on Matson's business remains a cost factor we cannot simply absorb. In the past two months, bunker fuel prices have risen 20 percent, necessitating this new adjustment."

Hoppes added: "Rather than monitoring fuel prices on an ongoing basis, the new quarterly review process will better allow our customers to plan their shipping costs and anticipate any adjustments on a regular, predictable schedule. We will announce adjustments, up or down, each quarter, 21 days in advance of implementation, with the effective date being the first Sunday of the respective month. No adjustments will be made between these quarterly reviews, despite any strong fluctuations in fuel costs."

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

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