



ALEXANDER & BALDWIN

Matson 2006 Westbound Hawaii Service Rates to Increase by \$125 Container

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OAKLAND, Calif.--(BUSINESS WIRE)--Nov. 10, 2005--Matson Navigation Company, Inc. (Matson) announced today that it will raise its rates for the company's Hawaii service by \$125 per westbound container and \$75 per eastbound container, effective January 1, 2006. Matson estimates that this increase will raise rates by an average of 3.9 percent. The increase will be filed with the Surface Transportation Board. In addition, the company will increase its terminal handling charge by \$60 per westbound container and \$30 per eastbound container, also effective January 1, 2006.

"This rate increase will help offset rises in contractual operating costs and support a number of investments in our Hawaii service," said James Andrasick, Matson president and CEO. "Given the essential role ocean transportation has in supporting the state's economic activities, Matson has made its fleet replacement program a top priority in recent years. Since 2002, Matson has invested over \$500 million in new containerships that will serve Hawaii, as well as Guam and China. These new vessels, with their more fuel-efficient diesel engines, will provide Hawaii with efficient, dependable ocean transportation services for decades to come. Matson is also investing in new container equipment, terminal upgrades, information technology and enhancements to our Neighbor Island service. This rate increase is consistent with our longstanding philosophy of implementing modest, incremental increases annually in order to continue to reinvest in our Hawaii service."

The flat fee per container rate increase, which Matson implemented in 2003, recognizes that increases in costs and investments tend to be on a per container basis regardless of the commodity that is in a container. Percent increases result in customers shipping higher rated commodities to bear the greatest cost burdens.

Matson's terminal handling charge is a separate line item that appears at the bottom of the company's freight bills. The charge helps Matson recover a portion of its terminal handling costs, which comprise about 40 percent of Matson's total operating expenses, and is standard in today's industry. The current terminal handling charge is \$265 per westbound container and \$135 per eastbound container.

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

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