



ALEXANDER & BALDWIN

Matson to Raise Fuel Surcharge by 2 Percent

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OAKLAND, Calif.--(BUSINESS WIRE)--Dec. 9, 2005--Matson Navigation Company, Inc. (Matson) announced today that it will raise its fuel surcharge in its Hawaii and Guam/Commonwealth of Northern Mariana Islands (CNMI) services from 13 to 15 percent, effective January 1, 2006. As announced in March, Matson has implemented a program in which fuel costs are evaluated on a quarterly basis, with the fuel surcharge adjusted accordingly, up or down. The quarterly review process is designed to better allow customers to plan their shipping costs and anticipate any adjustments on a regular, predictable schedule. Adjustments are announced 21 days in advance of implementation, with the effective date being the first Sunday of the respective month.

"Bunker fuel prices continue to be at or near record high levels," said Dave Hoppes, senior vice president, ocean services. "For transportation companies, fuel consumption is an unavoidable and significant component of operating costs. Our review process involves analysis of quarterly bunker fuel prices and market projections, as opposed to reacting to short-term fluctuations in costs. In the past three months, bunker fuel prices have risen over 21 percent, necessitating this new adjustment. In total, the price that Matson has paid for fuel has risen 68 percent in the past year. We are anticipating a continued rising trend in fuel prices over the next quarter."

Similarly, the Transpacific Stabilization Agreement, a discussion group of 12 shipping lines in the eastbound Pacific trade, announced on December 1 a fuel surcharge increase of \$135 per container, also effective January 1. This will bring the total fuel surcharge to \$590 per container, a record high for the Transpacific trade.

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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