



ALEXANDER & BALDWIN

Matson to Raise Fuel Surcharge by 2.75 Percent

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OAKLAND, Calif.--(BUSINESS WIRE)--May 12, 2006--Matson Navigation Company, Inc. ("Matson") announced today that it is raising its fuel surcharge for its Hawaii and Guam/Commonwealth of Northern Mariana Islands (CNMI) services from 18.5 to 21.25 percent, effective June 4, 2006. The company also announced that due to the extreme volatility of the world oil market in recent months, it has decided to suspend its quarterly review process and resume adjusting its fuel surcharge based on sustained trends.

"Fuel prices are a subject of concern for virtually everyone today," said Dave Hoppes, senior vice president, ocean services. "With bunker fuel prices hitting unprecedented record highs, transportation companies have been particularly negatively impacted. Fuel consumption is an unavoidable and significant component of our operating costs, with every dollar increase per barrel adding over two million dollars in annual expenses. In the past month alone, bunker fuel prices have risen 16 percent. Given the dramatic spikes in fuel prices in recent months, Matson has decided to suspend its quarterly review program for fuel surcharges. When the program was implemented in April 2005, the operating environment was far more conducive to planning and determining our quarterly adjustments. With the current world situation, we need to have the flexibility to respond to steep fluctuations in bunker fuel prices as merited. We will continue to monitor fuel prices and make adjustments, upward or downward, accordingly."

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

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