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Matson's 2010 Westbound Hawaii Service Rates to Increase by \$120 per Container

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OAKLAND, Calif.--(BUSINESS WIRE)--Nov. 24, 2009-- Matson Navigation Company announced today that it will raise its rates for the company's Hawaii service by \$120 per westbound container and \$60 per eastbound container, effective January 3, 2010. Matson estimates that this increase will raise rates by an average of 3.8 percent. The increase will be filed with the Surface Transportation Board. In addition, Matson will raise its terminal handling charge by \$125 per westbound container and \$60 per eastbound container, also effective January 3, 2010.

"This rate increase will help offset rises in operating costs and support ongoing investments in our Hawaii service," said Dave Hoppes, senior vice president, ocean services. "While Matson recognizes this is a difficult time economically, this rate adjustment is consistent with our longstanding philosophy of implementing modest, incremental increases as necessary to maintain the highest level of service to our customers. Over the past several years, Matson has been diligently implementing cost reduction measures across-the-board, without undercutting the quality of its service. These initiatives have included workforce reductions and laying up two Matson vessels to ensure the company provides the most economical service possible. Nevertheless, Matson remains committed to making long term investments that will provide the state with a strong ocean transportation infrastructure. Since 2003, Matson has invested nearly \$600 million in fleet enhancements, including over \$500 million for construction of four new containerships. Matson also continues to invest in new container equipment, information technology and enhancements to its terminal facilities."

Matson's terminal handling charge was first implemented in 2003 and is designed to recover a portion of the costs associated with the movement of cargo through terminals. This charge is standard in the industry and appears as a separate line item at the bottom of the company's freight bills.

"Terminal handling costs comprise over 40 percent of Matson's operating costs," said Hoppes. "Matson continues to absorb most of the costs associated with terminal operations, the majority of which are driven by factors that are outside of our control, but needs to pass on some of the expenses to our customers."

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

Source: Matson Navigation Company

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