



ALEXANDER & BALDWIN

Matson to Increase Fuel Surcharge to 2.25%

January 26, 2000

Due to steadily escalating costs in bunker fuel, Matson Navigation Company is increasing its fuel surcharge from 1.75 percent to 2.25 percent in its Hawaii and Guam services, effective February 20, 2000. The fuel surcharge was filed with the Surface Transportation Board today.

"While the high cost of fuel has an adverse impact on many businesses, transportation companies are especially hard hit," Paul E. Stevens, senior vice president, Marketing, says. "Matson's average price per barrel of bunker fuel has more than doubled since January 1999, with most of the increase occurring in the past six months. We will continue to monitor fuel costs and adjust the surcharge accordingly."

Matson implemented the current 1.75 percent fuel surcharge on October 11, 1999.

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

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