



ALEXANDER & BALDWIN

Matson to Raise Rates in Guam/CNMI Service

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OAKLAND, Calif.--(BUSINESS WIRE)--July 21, 2005--Matson Navigation Company announced today that it will raise its rates for the company's Guam/Rota/Tinian service by \$100 per container, effective August 21, 2005. The increase will be filed with the Surface Transportation Board. The rate action represents an overall average increase of 2.6 percent.

In addition, the company will increase its West Coast terminal handling charge by \$40 per container, also effective August 21, 2005, from \$125 to \$165.

"This rate increase will help offset rises in Matson's operating costs and support ongoing investments in the company's Guam/CNMI service," said Dave Hoppes, senior vice president, ocean services. "As announced earlier this year, Matson is investing \$365 million in vessel, container and terminal assets to launch a new Guam and China service beginning in February 2006, when its present ten-year alliance agreement expires with APL. The new service will be a Matson-dedicated operation, with the company's five most modern, fuel efficient vessels deployed in a weekly service to Guam. The investment underscores the company's long-term commitment to ensuring Guam's island economy is supported by modern, efficient and reliable ocean transportation services, capable of carrying the wide range of commodities needed to support the region."

West Coast Wharfage rates will also increase by 5 percent across-the-board. The increase will help offset rises in the wharfage charges assessed by West Coast ports.

In addition to the per container rate increase, rates for moving vehicles will increase by \$25.

Matson's West Coast terminal handling charge, which is a separate line item that appears at the bottom of the company's freight bills, helps Matson recover a portion of its terminal handling costs, which comprise about 40 percent of Matson's total operating expenses. The terminal handling charge for vehicles will increase from \$35 to \$40 per vehicle.

Matson provides ocean transportation, intermodal and logistics services, primarily in U.S. domestic markets. Matson is a wholly owned subsidiary of Alexander & Baldwin, Inc. of Honolulu (NASDAQ:ALEX).

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