



ALEXANDER & BALDWIN

Matson to Raise Fuel Surcharge by 1 Percent; Adjustment Part of New Quarterly Review Process

June 10, 2005

OAKLAND, Calif.--(BUSINESS WIRE)--June 10, 2005--Due to sustained increases in fuel costs, Matson will raise its fuel surcharge in its Hawaii and Guam/Commonwealth of Northern Mariana Islands (CNMI) services from 10.5 to 11.5 percent, effective July 3, 2005. As announced in March, Matson has implemented a new 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.

"Record high fuel prices continue to be an area of concern for many businesses, as well as the average consumer," said Dave Hoppes, vice president, ocean services. "For transportation companies, fuel consumption is an unavoidable and significant component of operating costs. Many of the major railroads, trucking companies and international ocean carriers currently have fuel surcharges exceeding 14 percent. While we continue to invest in modern, fuel-efficient vessels that help reduce our overall fuel consumption, the impact of fuel prices on Matson's business remains a cost factor we cannot simply absorb. In the past three months, bunker fuel prices have risen 30 percent, necessitating this new adjustment."

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

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