



ALEXANDER & BALDWIN

Matson to Raise Fuel Surcharge by 1.5 Percent; Adjustment Part of Quarterly Review Process

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OAKLAND, Calif.--(BUSINESS WIRE)--Sept. 9, 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 11.5 to 13 percent, effective October 2, 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. 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 over 10 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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