



# ALEXANDER & BALDWIN

## **New Matson Bi-Weekly Liner Operation to Improve Frequency of Service for FSM and Marshall Islands**

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OAKLAND, Calif.--(BUSINESS WIRE)--June 19, 2006--Matson Navigation Company, Inc. (Matson) (NASDAQ:ALEX) announced today that it is upgrading its service to eastern Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), effective August 4, by introducing a new bi-weekly liner service from Guam. Matson is chartering a 425-foot vessel for the new feeder service, which will call Ebeye, Kwajalein, Majuro, Kosrae, Pohnpei and Chuuk. Matson currently offers a monthly service to the Marshall Islands from Honolulu via the container barge *Islander* and a 21-day service from Guam to Kosrae, Pohnpei and Chuuk via a connecting carrier agreement. The improved frequency of service will allow these island businesses to diversify their product line while concurrently saving inventory costs.

The shift of Matson's Marshall Island operations from Honolulu to Guam will further increase the amount of transshipment activity in Guam, making it a dynamic hub in the Pacific and facilitating the economic growth of the islands. Matson will continue to offer weekly service via connecting carrier agreements to Yap, Palau, Saipan, Tinian and Rota. With this enhanced service, the FSM and RMI will be well positioned to participate in global trade, with Guam as a major gateway in the Pacific.

"With this new service, Matson will offer these Pacific islands the best frequency ever offered in the region," said Dave Hoppes, senior vice president, ocean services. "By introducing this new bi-weekly liner service, Matson will further strengthen its ocean transportation infrastructure for Guam and FSM. Earlier this year, the company inaugurated a new Matson-dedicated service from the West Coast to Guam, succeeding its former 10-year operating agreement with APL. Today, Guam is served by Matson's five most modern, fuel-efficient containerships, including four new ships built in the past four years. Similarly, on the West Coast, Guam and Micronesia cargo move through Matson-dedicated operations, focused specifically on Matson's customer needs. All of this results in a modern, efficient and reliable service from the U.S."

The chartered vessel, *MV Cerrina*, has the capacity for 650 TEUs and is equipped with two onboard cranes. The ship will be renamed *Islander* before the service starts up in August.

"Matson is particularly excited about this newest service enhancement to the FSM and Marshall Islands in that we are able to improve the level of service we provide while concurrently reducing our customers' inventory costs," added Hoppes. "We are confident that the bi-weekly liner service will benefit all of our customers in the region. It is also a positive development for Guam, as it will now be served by a modern fleet from the U.S. and a bi-weekly liner service to neighboring islands that is designed to promote further development of Guam as a major transshipment center in the Pacific."

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

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### **SOURCE:**

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