



# ALEXANDER & BALDWIN

## **Matson Signs \$17 Million Contract with Atlantic Marine Alabama for C-9 Conversion**

September 29, 2006

Business Editors/Transportation Writers

OAKLAND, Calif.--(BUSINESS WIRE)--Sept. 29, 2006--Matson Navigation Company, Inc. (Matson) announced today that it has signed a \$17 million contract with Atlantic Marine Alabama, LLC to perform work related to the conversion of Matson's C-9, MV Mokihana, to a combination roll-on/roll-off (ro-ro) and container vessel. Modification work on the 2,800 TEU containership will commence in April 2007 at Atlantic Marine's shipyard in Alabama, with delivery scheduled for June 2007.

"The conversion of the Mokihana will increase Matson's ro-ro capacity in our Hawaii service by 35 percent," said Dave Hoppes, senior vice president, ocean services. "It will help further Matson's objective of providing our auto customers with the two features they prefer: frequency of service and ro-ro capacity. The new state-of-the-art garage unit will have all of the features of a pure car carrier, including a fully enclosed garage, ventilation, lighting and various safety components to minimize damage in transit. Given the fluctuations in volume in Hawaii's auto market, Matson's research has shown that a combination ro-ro/containership provides both economic and service advantages, as the vessel's capacity and associated revenue are not tied solely to vehicle shipments."

"As one of the leading U.S.-flag carriers, Matson is proud to further demonstrate its commitment to supporting U.S. shipyards," said James Andrasick, Matson president and CEO. "In the past six years, Matson has awarded \$584 million of work to U.S. shipyards, including over \$500 million to Aker Philadelphia Shipyard for the construction of four new containerships."

The conversion of the Mokihana is part of a previously announced \$45 million upgrade of Matson's ro-ro service capabilities in its Hawaii service, which includes shoreside facility improvements and investments in new information technology. The converted Mokihana will complement Matson's two other combination ro-ro/containerships, SSs Lurline and Matsonia.

"Matson is particularly pleased that we continue to receive the full support of most of the major auto manufacturers," said Hoppes. "Matson has multi-year agreements with Ford Motor Company, General Motors, Dollar Thrifty Group, BMW, Mercedes Benz, Toyota and Nissan. The Ford agreement includes Volvo Cars, Jaguar and Land Rover. In addition to these valued customers, our ro-ro capabilities have been utilized by the U.S. military for the movement of military equipment to and from Hawaii."

Hoppes also emphasized that reliability is another service advantage for Matson. "With our eight ship fleet in our Hawaii service, as well as our reserve vessel, S.S. Lihue, Matson is fully capable of ensuring reliability of service for all of our customers, including the auto market," added Hoppes. "If a Matson ship needs to be temporarily taken out of service, we have enough reserve capacity to prevent any disruption or delay in our scheduled service."

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

CONTACT: Matson Navigation Company, Inc.  
Jeff Hull, 510-628-4534  
JHull@matson.com

SOURCE: Matson Navigation Company, Inc.