



ALEXANDER & BALDWIN

Matson to Raise Fuel Surcharge By 1%

September 15, 2000

As a result of continued increases in fuel costs, Matson Navigation Company is raising its fuel surcharge by 1 percent in its Hawaii and Guam services, effective October 15, 2000. This will bring the total fuel surcharge to 4.25%. The fuel surcharge was filed with the Surface Transportation Board today.

"We had hoped that another increase in the surcharge could be avoided, however, this is unfortunately not the case," Paul E. Stevens, senior vice president, Marketing, says. "We continue to feel the impact of this unprecedented climb of fuel prices – which are approaching the peak levels that occurred during the Persian Gulf War of 1990 - 1991. While the high cost of fuel has an adverse impact on many businesses, as well as consumers, transportation companies are especially hard hit. We will continue to monitor fuel costs and adjust the surcharge accordingly."

Matson first implemented a 1.75 percent fuel surcharge on October 11, 1999. The surcharge was raised to 2.25 percent on February 20, 2000. It was increased to 3.25 on April 2, 2000.

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

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