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Matson to Raise Rates in Guam/CNMI Service

April 20, 2004

OAKLAND, Calif.--(BUSINESS WIRE)--April 20, 2004--Matson Navigation Company, Inc. (Matson) (Nasdaq:ALEX) announced today that it will raise its rates for the company's Guam/CNMI service by \$125 per container, effective June 6, 2004. The increase will be filed with the Surface Transportation Board. In addition, the company will increase its West Coast terminal handling charge by \$25 per container, also effective June 6, 2004. "This rate increase will help offset rises in contractual operating costs and support a number of investments in our Guam/CNMI service that will deliver value and provide the territory with modern, reliable ocean transportation services in the future," said James Andrasick, Matson president and CEO.

"This rate increase marks only the second time Matson has taken any rate action, other than terminal handling fees and fuel surcharges, in its Guam/CNMI service since it was inaugurated in 1996. Given the essential role ocean transportation has in supporting Guam's economic activities, Matson's primary business objective remains focused on ensuring the company's services are among the best in the world." Andrasick further noted that international container rates in the Pacific rose by \$700 per container in 2003 and are expected to increase another \$450 per container in May 2004.

Historically, Matson has taken across-the-board percent rate increases. The flat fee per container rate increase recognizes that increases in costs and investments tend to be on a per container basis regardless of the commodity that is in a container. Percent increases result in customers shipping higher rated commodities to bear the greatest cost burdens.

"While we understand that this new charge will affect some businesses more than others, we feel that one uniform increase per container is the most equitable overall approach to address our cost and reinvestment issues," said Andrasick.

In addition to the per container rate increase, rates for moving vehicles will increase by \$25.

Matson will also increase its West Coast terminal handling charge, which is a separate line item that appears at the bottom of the company's freight bills, by \$25 per container. The charge helps Matson recover a portion of its terminal handling costs, which comprise about 40 percent of Matson's total operating expenses. The current West Coast terminal handling charge is \$100 per container. The terminal handling charge for vehicles will increase from \$30 to \$35 per vehicle.

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

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SOURCE: Matson Navigation Company, Inc.