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Matson Launches New Dedicated Service for Guam and Micronesia

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OAKLAND, Calif.--(BUSINESS WIRE)--Feb. 14, 2006--Matson Navigation Company, Inc. (Matson) officially launched its new Matson-dedicated Guam and Micronesia service with the arrival of the MV Manulani today. The new service succeeds the former 10-year Matson/APL Alliance arrangement in which Matson and APL shared vessel deployments. With the new service, Guam will be served by Matson's five most modern, fuel-efficient vessels, including four new ships built in the past four years. In addition, Guam operations on the West Coast will be supported by Matson-dedicated facilities in Long Beach, Oakland and Seattle. First Lady Joann Camacho is joining Matson for the celebration, welcoming the ship she christened in Philadelphia in May 2005. The deployment is part of a new Matson Guam -- China service and represents a \$365 million investment in vessel, container and terminal assets; the new port rotation is Long Beach, Honolulu, Guam, Ningbo, Shanghai, Long Beach. The China component, the China -- Long Beach Express, will be launched next week.

"Developing this successor service has been a high priority for Matson and one that represents a long-term commitment in terms of financial investment and service offerings," said James Andrasick, Matson president and CEO. "That commitment extends to all of Guam's neighboring islands, Saipan, Tinian, Rota, Yap, Chuuk, Pohnpei, Kosrae and Palau. Since commencing our Guam and Micronesia service 10 years ago, Matson has made significant strides in providing high quality service, particularly by offering competitive transit times and increasing the amount of transshipment activity in Guam and Micronesia, which has facilitated the economic growth of the islands. We are the only ocean carrier that has made significant capital investments into the Guam/Micronesia trade, with new ships and new equipment. In addition, in 2005, Matson developed agreements with Kyowa and Marianas Express Lines Limited (MELL) to ensure continued service to Palau, Yap and the FSM as a result of the dissolution of PM&O Lines, making Matson the sole ocean carrier offering a U.S. to Micronesia service. We are also supporting the government of Guam's efforts to privatize the Port Authority."

With the new schedule, a Matson ship will arrive in Guam every Wednesday, supporting Guam's weekend sales cycle. With a Matson-dedicated service, the company will be better able to ensure Guam is served by modern, efficient vessels, ensuring greater reliability. Similarly, on the West Coast, Guam cargo will move through Matson-dedicated operations, focused specifically on Matson's customer needs. Equally important, Matson's knowledgeable Guam staff will continue to work closely with the customer community in delivering personalized, high quality customer service.

"Beyond working with customers on day-to-day business activities, Matson has endured typhoons and supertyphoons with the Guam community, and done our best to demonstrate resiliency and responsiveness during times of crisis," said Andrasick. "Matson has done its part to give back to the people of Guam through community service efforts, as well as financial support through the A&B Foundation. Virtually all of Matson's employees in Guam, led by Tom Ahillen, are involved in a wide range of community efforts. In 2004, we were proud to have a leadership role in supporting the First Lady's effort to return Guam's Bookmobile to service as part of her reading advocacy program."

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

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