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Matson Launches New China - Long Beach Express

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OAKLAND, Calif.--(BUSINESS WIRE)--Feb. 22, 2006--Matson Navigation Company, Inc. (Matson) officially launched its new China - Long Beach Express today with the departure of the MV Manulani from Shanghai. The new weekly calls by Matson vessels in Ningbo and Shanghai will provide customers with express service from China to Long Beach. The 11-day transit time from Shanghai to Long Beach is one of the fastest in the trans-Pacific trade. The start up marks Matson's entry into the China market, expanding its reach in the Pacific, which it has been serving since 1882. Matson's five most modern, fuel-efficient vessels will be deployed in the service, including four new containerships built in the past four years. Matson's dedicated terminal facility in Long Beach also will help expedite delivery, resulting from the operation's fast throughput and next day cargo availability. The deployment is part of a new Matson Guam - China service that, in total, 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 - Long Beach Express is an exciting new growth opportunity for Matson," said James Andrasick, Matson president and CEO. "Since announcing our plans for this venture a year ago, Matson has developed a service that will offer competitive transit times, fast and efficient cargo availability in Long Beach and high quality customer service, both in China and the U.S. Matson's offices in Shanghai and Ningbo are staffed with personnel experienced in China's ocean transportation and logistics market. Our U.S. sales and customer service management team also has considerable expertise in the trans-Pacific trade. While the costs of operating a U.S.-flag service are higher than those for international carriers, the economics of this new service will benefit from Matson's westbound cargo volumes moving to Hawaii and Guam, allowing us to price our service competitively."

While Matson's 2,600-TEU vessels will compete with larger containerships in the trans-Pacific trade, the company underscores the fact that these relatively smaller ships add to the overall service package of operating efficiencies. Most of the bigger vessels in the trade, up to 9,000 TEUs, include additional stops in Asia to fill the ships before sailing to the West Coast. In addition, unloading these larger ships requires three or four days in port, further hampered by congestion at large multi-user terminals. In contrast, Matson will sail direct from Ningbo and Shanghai to Long Beach, arriving every Sunday at Matson's dedicated facility, with cargo availability the next day. For added convenience, Matson is offering customers the option of draying their cargo to an off-dock container yard four miles from the harbor, allowing large retailers to avoid the congestion of the Ports of Los Angeles and Long Beach. For inland moves, Matson will leverage its intermodal and logistics subsidiary, Matson Integrated Logistics.

"Matson selected the ports of Shanghai and Ningbo because of their strong growth potential, as well as their close proximity in the Yangtze River corridor, allowing Matson to maintain a fixed-day weekly schedule during its 35-day port rotation," said Andrasick. "We view this new service as a long-term growth opportunity for the company, which today serves relatively mature markets."

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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