

**NOTICE OF FUNDED STATUS
FOR
HAWAII TERMINALS MULTIEMPLOYER PENSION PLAN**

The Plan, and the predecessor plans that merged to form it, has been providing benefits for Plan participants without interruption for decades. The Pension Committee remains committed to operating the Plan on a financially sound basis and meeting all Federal funding requirements.

In 2006, the Pension Protection Act (“PPA”) became law. Under the requirements of PPA, this is to inform you that on March 28, 2008 the Plan actuary certified to the U.S. Department of the Treasury, and the Plan sponsor, that the Hawaii Terminals Multiemployer Pension Plan (the “Plan”) falls in the category of “endangered” status for the Plan year beginning January 1, 2008.

“Endangered” Status. The Plan is considered to be in “endangered” status under the PPA because the Plan’s actuary has determined that the Plan’s funded percentage for 2008 is less than 80%, but that the Plan is sufficiently funded such that it is not in either the PPA categories of “seriously endangered” status or “critical” status. The fact that the Plan falls in the “endangered” category does not mean the Plan is failing or will fail in providing retirement benefits. It just means the funded status is not at least 80% at this time.

Funding Improvement Plan. Under Federal law, the Plan will adopt a funding improvement plan (“FIP”) aimed at improving the funded status of the plan so that the Plan meets the applicable benchmarks established by PPA. The Pension Committee, with the assistance of its consultants and actuaries, will be developing and implementing such a FIP. The Plan’s actuary will monitor the progress of the Plan’s funding to determine whether the requirements of the FIP are met.

Where to Get More Information. For more information about this Notice, you may contact the Pension Committee of Hawaii Terminals Multiemployer Pension Plan at 965 North Nimitz Highway, Honolulu, HI 96817 or by telephone at (808) 527-3400. You may also write or call the office of:

Dawna Ota
Matson Navigation Company
P. O. Box 899
Honolulu, HI 96808
Phone: 848-1262

The Pension Committee will operate the Plan on a financially sound basis and meet all Federal funding requirements with a goal of providing retirement benefits under the Plan without interruption.