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Neighbor Island Cargo Volumes Drop Nearly 2 Percent In First Quarter of 2015

HONOLULU (May 29, 2015) – Intrastate cargo shipments between Honolulu and six neighbor island ports decreased by 1.9 percent in the first quarter of 2015 compared to the same period of 2014, according to the **Young Brothers Quarterly Shipping Report**.

“The first quarter results continued the trend in a narrow range on either side of even,” said Roy Catalani, vice president of Young Brothers.

Back in the first quarter of 2014, Young Brothers showed an overall increase in cargo volume of 4 percent. But since then, volume has stayed in a fairly narrow range between approximately 0.5 percent and minus 2 percent.

Five Neighbor Island ports experienced a decline in cargo volume in the first quarter of 2015 when compared to the same period last year: Maui, down 4.1 percent; Hilo, down 2.9 percent; Kaua‘i, 4.8 percent; Moloka‘i, 1.6 percent; and Lāna‘i, 17.4 percent. Kawaihae is the only port where cargo volume increased in the first quarter, climbing 10.5 percent.

Cargo volumes for the food and beverage industry - the largest sector that Young Brothers serves - was significantly lower from last year, largely as a result of one large customer changing its shipping method. The Government sector also showed a large decline in the first quarter as a result of lower shipments by federal agencies. Shipments of new automobiles for sale climbed, while automobile rental shipments were down compared to this time last year. The construction industry on neighbor islands appears mixed. Of note, Lāna‘i, which had seen strong growth in cargo volumes for the past several quarters, slowed in the fourth quarter of 2014 and in the first quarter of this year.

Shipping volumes for the first quarter are shown by port in Appendix 1.

Agricultural Cargo Rises 2.9 Percent in First Quarter

During the first of quarter 2015, local agricultural cargo volume rose 2.9 percent over the same period last year. This follows a modest decrease in the fourth quarter of 2014, when agricultural shipments slipped 0.8 percent.

Agricultural cargo exports increased at two of the six ports during the quarter: Kawaihae, up 36.9 percent, and Honolulu, up 30.9 percent. The remaining four ports experienced declines in agricultural

volume: Maui, down 6.2 percent; Hilo, dropped 14.5 percent; Kaua'i, 4.9 percent; and Moloka'i, 0.9 percent. Lāna'i does not currently export agricultural cargo.

“Only two ports experienced an increase in agriculture exports but it was still enough to keep overall volume positive for this category,” Catalani said. “Activity on the Big Island was interesting, albeit with mixed results. Increases in milk production as well as exports of plants drove the large increase in ag cargo being shipped out of Kawaihae. On the other hand, Hilo’s decline in volume appears to be related to drought conditions.”

Local agricultural volume includes only cargo that qualifies for the company’s island agricultural product discount of 30 to 35 percent, which applies to locally grown products. Agricultural cargo volumes for the first quarter are shown by port of origin in Appendix 2.

About the Young Brothers Quarterly Shipping Report

Young Brothers’ quarterly intrastate shipping volumes reflect only cargo shipments that originate and terminate within Hawaii. The Young Brothers Quarterly Shipping Report was initiated in 2012. The company will release its second quarter 2015 results in August 2015.

Young Brothers, Limited, with approximately 340 employees across the state, has served Hawai'i since 1900. Young Brothers is a publicly regulated water carrier providing 12 weekly port calls from Honolulu to the state’s neighbor island ports, including Hilo, Kawaihae, Kahului, Kaunapau, Kaunakakai and Nāwiliwili. For more information, visit www.youngbrothershawaii.com.

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Appendix 1
Young Brothers, Limited
Neighbor Island Intrastate Cargo Volume – First Quarter 2015

<i>Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports</i>			
	Q1 2015	Q1 2014	Percent Change
All Ports	30,816	31,401	(1.9%)
Kahului, Maui	11,155	11,628	(4.1%)
Inbound	8,509	8,478	0.4%
Outbound	2,646	3,150	(16.0%)
Hilo, Hawai'i	7,749	7,980	(2.9%)
Inbound	5,346	5,432	(1.6%)
Outbound	2,403	2,548	(5.7%)
Kawaihae, Hawai'i	5,541	5,014	10.5%
Inbound	4,150	3,727	11.4%
Outbound	1,391	1,287	8.1%
Nāwiliwili, Kaua'i	6,041	6,345	(4.8%)
Inbound	4,611	4,977	(7.4%)
Outbound	1,429	1,367	4.6%
Kaunakakai, Moloka'i	1,437	1,460	(1.6%)
Inbound	1,125	1,095	2.7%
Outbound	312	365	(14.4%)
Kaumalapau, Lāna'i	1,159	1,403	(17.4%)
Inbound	882	1,153	(23.5%)
Outbound	277	250	10.9%

NOTE: The "All Ports" category reflects every unique cargo item transported by Young Brothers. In contrast, the sum of individual ports is greater than the amount of unique shipments in the "All Ports" total. This is because transshipment cargo volumes (i.e., cargo that originates on a neighbor island, is transshipped at YB's Honolulu hub and terminates at another neighbor island port) are attributed to the neighbor island origin port as "outbound" cargo and the neighbor island destination port as "inbound" cargo. Transshipped cargo makes up a relatively small percentage of total cargo volume.

Appendix 2
Young Brothers, Limited
Agricultural Cargo Volume by Island and Port – First Quarter 2015

<i>Outbound Agricultural Cargo (CPEs)</i>			
	Q1 2015	Q1 2014	Percent Change
All Islands	1,911	1,858	2.9%
O’ahu (Honolulu)	485	370	30.9%
Maui (Kahului)	278	296	(6.2%)
Hawai’i Island	974	1,012	(3.8%)
Hilo	685	801	(14.5%)
Kawaihae	289	211	36.9%
Kaua’i (Nāwiliwili)	59	62	(4.9%)
Moloka’i (Kaunakakai)	116	117	(0.9%)
Lāna’i (Kaunapali)	0	0	N/A

NOTE: Agricultural cargo volumes represent all regulated Young Brothers cargo which qualified for the 30% to 35% “Island Product” discount. In contrast to total cargo volumes in Appendix 1, agricultural cargo volumes are categorized only by the port from which they originated, meaning the island on which the agricultural product was grown.

Note regarding CPE unit of measurement: Young Brothers measures its cargo in units called “container/platform equivalents” (CPE), which allow a comparison of cargo volumes across different sizes of containers and other non-standardized cargo types.