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## **Young Brothers Reports Intrastate Cargo Volumes Increased 1.1 Percent in 2015**

*Agricultural Cargo Volumes End Year Down 1.9 Percent*

HONOLULU (February 22, 2016) –Young Brothers, Limited announced today that intrastate cargo shipments between Honolulu and six neighbor island ports increased 1.1 percent in 2015, buoyed by a 2.7 percent increase in the fourth quarter of 2015 compared to the same period of 2014.

“During the fourth quarter of 2015, neighbor islands experienced the year’s largest increase in overall cargo volumes,” said Roy Catalani, vice president of Young Brothers. “This relatively strong quarter provided the push that put the year slightly in the positive.”

Earlier in 2015, intrastate cargo volumes fell in the first quarter with a year-on-year decrease of 1.9 percent, followed by gradual growth of 0.8 percent and 1.5 percent in the second and third quarters, respectively.

Catalani also noted that intrastate cargo volume in 2015 was still approximately 20 percent lower than the historic peak in 2007.

For the twelve-month period ending December, two neighbor island ports experienced gains in cargo volume: Kawaihae, up 9.1 percent and Kaua’i, up 1.8 percent. The remaining four neighbor island ports experienced a decrease in cargo volumes: Kahului, the largest neighbor island port in terms of volume, down 0.7 percent; Hilo, down 0.9 percent; Moloka’i, down 1.7 percent; and Lāna’i down 11.7 percent.

During the fourth quarter, cargo volumes rose at four neighbor island ports: Kawaihae, up by 11.5 percent; Hilo, up 3.2 percent; Kaua’i, up by 1.2 percent; and Lāna’i, up 6.6 percent. Cargo volumes decreased at the remaining two neighbor island ports: Kahului, down by 1.5 percent, and Moloka’i, down by 8.4 percent.

Automobile shipments were among the top reasons for the volume increase for the year. “A strong fourth quarter surge in vehicle shipments was led by automobile dealerships,” said Catalani.

A combination of sectors and projects also contributed to higher cargo volumes. Growth in construction-related shipments, including a Big Island highway construction project and hotel renovations on Lānaʻi supported the fourth quarter cargo volume rise. However, cargo volume to and from Lānaʻi was down for the year as construction activity on the island eased in 2015 relative to its 2014 peak.

While food shipments were flat to down for the year, they trended slightly up in the last quarter, in part due to a large food distributor changing its shipment method to use more interisland shipping. Fourth quarter shipments of recyclables fell year over year, continuing the pattern seen earlier in 2015 likely due to declines in scrap metal values.

Shipping volumes for the fourth quarter and year are shown by port in Appendix 1.

### **Agricultural Cargo Volume Dips in Fourth Quarter and for the Year**

Parts of the agricultural sector appeared to be challenged by weather conditions again in the fourth quarter. For 2015, statewide agricultural volume ended the year down 1.9 percent. In the last three months of the year, statewide agricultural cargo volume decreased by 3.6 percent from the same period last year.

From January through December 2015, agricultural exports were down 9.5 percent on Maui; down 18.4 percent in Hilo; down 2.8 percent on Kauaʻi; and down 1.4 percent on Molokaʻi. Oʻahu was up 25.9 percent, and Kawaihae was up 18.9 percent.

In the fourth quarter, Kawaihae saw a 39.7 percent increase in exports of agricultural cargo. Oʻahu also experienced an increase of 7.3 percent. Maui (down 22.2 percent), Hilo (down 15.6 percent), Kauaʻi (down 14.1 percent) and Molokaʻi (down 2.6 percent) all had decreases in agricultural cargo volumes.

Kawaihae’s increase particularly in the last three months of the year were mostly driven by a large increase in shipments by one farm compared to a year ago. Beef and dairy shipments originating from Kawaihae also contributed to the increase. Shipments originating in Oahu were up for the year and quarter mostly as a result of one shipper changing its method of transportation in 2015, rather than an increase in agricultural production. Papaya shipments out of Hilo were down due to rainy weather, affecting yields in the latter part of the year.

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

agricultural products. Agricultural cargo volumes for the fourth quarter and 2015 calendar year are shown by port of origin in Appendix 2.

**About the Young Brothers Quarterly Cargo Volume Report**

Young Brothers' quarterly intrastate shipping volumes reflect only cargo shipments that originate and terminate within Hawai'i. The Young Brothers Quarterly Cargo Volume Report was initiated in 2012. The company will release its first quarter results for 2016 in May.

Young Brothers, Limited, with approximately 360 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](http://www.youngbrothershawaii.com).

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Appendix 1  
 Young Brothers, Limited  
 Neighbor Island Intrastate Cargo Volume — Fourth Quarter 2015

Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports						
	Q4 2015	Q4 2014	Percent Change	Year ended December 31, 2015	Year ended December 31, 2014	Percent Change
<b>All Ports</b>	31,773	30,925	2.7%	128,751	127,387	1.1%
<b>Kahului, Maui</b>	11,251	11,424	-1.5%	46,092	46,435	-0.7%
Inbound	8,632	8,962	-3.7%	34,424	34,309	0.3%
Outbound	2,619	2,462	6.4%	11,668	12,126	-3.8%
<b>Hilo, Hawai'i</b>	8,071	7,818	3.2%	32,699	33,008	-0.9%
Inbound	5,684	5,401	5.2%	22,665	22,347	1.4%
Outbound	2,387	2,417	-1.2%	10,034	10,661	-5.9%
<b>Kawaihae, Hawai'i</b>	5,790	5,192	11.5%	22,601	20,707	9.1%
Inbound	4,410	3,894	13.2%	16,460	15,106	9.0%
Outbound	1,381	1,298	6.4%	6,141	5,601	9.6%
<b>Nāwiliwili, Kaua'i</b>	5,947	5,874	1.2%	25,710	25,245	1.8%
Inbound	4,726	4,623	2.2%	19,889	19,590	1.5%
Outbound	1,221	1,251	-2.4%	5,821	5,655	3.0%
<b>Kaunakakai, Moloka'i</b>	1,433	1,564	-8.4%	6,005	6,112	-1.7%
Inbound	1,104	1,195	-7.5%	4,548	4,639	-2.0%
Outbound	329	369	-11.0%	1,457	1,472	-1.1%
<b>Kaunapau, Lāna'i</b>	1,355	1,271	6.6%	5,077	5,746	-11.7%
Inbound	1,026	986	4.0%	3,934	4,665	-15.7%
Outbound	330	285	15.6%	1,143	1,082	5.6%

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 — Fourth Quarter 2015

Outbound Agricultural Cargo (CPEs)						
	Q4 2015	Q4 2014	Percent Change	Year ended December 31, 2015	Year ended December 31, 2014	Percent Change
<b>All Islands</b>	1,819	1,888	-3.6%	7,734	7,886	-1.9%
<b>O'ahu (Honolulu)</b>	429	400	7.3%	1,967	1,563	25.9%
<b>Maui (Kahului)</b>	222	285	-22.2%	1,042	1,151	-9.5%
<b>Hawai'i Island</b>	1,000	1,023	-2.3%	4,035	4,470	-9.7%
Hilo	656	777	-15.6%	2,801	3,433	-18.4%
Kawaihae	344	246	39.7%	1,234	1,038	18.9%
<b>Nāwiliwili, Kaua'i</b>	48	56	-14.1%	200	205	-2.8%
<b>Kaunakakai, Moloka'i</b>	121	124	-2.6%	490	497	-1.4%
<b>Kaumalapau, Lāna'i</b>	0	0	0.0%	0	0	0.0%

NOTE: Agricultural cargo volumes represent all regulated Young Brothers cargo that 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.