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Contacts: Roy Catalani
Young Brothers
808-543-9409

Kevin Cockett
Cockett Communications Inc.
808-223-6734

Neighbor Island Cargo Volumes Flat in Second Quarter, Rise 2.2 Percent in First Half of Year

Agricultural Volume Increases Nearly 6 Percent Through June

HONOLULU (August 13, 2014) – Young Brothers, Limited announced today that intrastate cargo shipments between Honolulu and six neighbor island ports finished basically flat, experiencing a slight increase of 0.3 percent in the second quarter ending June 30.

“A year ago, the second quarter had significant volume growth, so a flat comparison still signals relative strength in the Neighbor Island economies from our viewpoint,” said Glenn Hong, president of Young Brothers. “However, we’re still very much in a wait-and-see environment from quarter to quarter for interisland cargo volume.”

The April – June quarter marks five successive quarters of positive comparisons in cargo volume, quarter over quarter. The first quarter of 2014 saw a 4-percent rise in volume, while the second, third and fourth quarters of 2013 experienced increases of 4.4 percent, 5.2 percent and 0.6 percent, respectively.

Four Neighbor Island ports experienced drops in cargo volume during the second quarter: Maui, down 2.2 percent; Kawaihae, 0.2 percent; Kaua’i, 4.6 percent; and Moloka’i, 6.4 percent.

Cargo volume increased at two ports: Hilo, up 2.2 percent, and Lāna’i, up 60.4 percent. Cargo volume to and from Lāna’i has continued to show double-digit increases due to ongoing shipments of materials for construction, renovations, and improvements. Although Lāna’i cargo volume made up only 5 percent of total cargo volume in the second quarter, without Lāna’i’s strong increase, second quarter volumes would have reflected a 2-percent decrease statewide.

In addition to strong construction-related activity on Lāna’i during the second quarter, automobiles and renewable energy volume increased statewide. Declining volume was experienced by the recycling sector among other groups, while several other sectors had flat comparisons.

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First-Half Volume Rises 2.2 Percent

Overall volume for the first six months increased by 2.2 percent, compared to the first six months of 2013.

“From an operations perspective, we like to see steady annual growth in volume,” Hong said. “We ended 2013 with an overall increase of 1.5 percent, so our mid-year mark is a good place to be. We’re hopeful that the second half of the year will sustain an overall positive trend.”

Four Neighbor Island ports experienced an increase in volume for the first half of the year, while volume at two ports declined. Maui volume climbed 1.0 percent; Hilo, up 5.4 percent; Kawaihae, 1.7 percent; and Lāna‘i, 52.6 percent. Cargo volume decreased at Kaua‘i and Moloka‘i 2.2 percent and 4.7 percent, respectively.

Shipping volumes for the second quarter and the six-month period ending June 30, 2014 are shown by port in Appendix 1.

Agricultural Cargo Climbs by Nearly 6 Percent in Both Second Quarter, First Half

In the second quarter, agricultural cargo volume statewide rose 5.7 percent over the year-ago quarter. Similarly, during the first six months of the year, agricultural volume increased by 5.8 percent compared to the same period of 2013.

Agricultural exports increased at two ports during the second quarter: Hilo, up 18.7 percent, and Kawaihae, 32.7 percent. Four ports experienced a decline in agricultural cargo exports, including Honolulu, down 8.1 percent; Maui, 14.6 percent; Kaua‘i, 26.9 percent; and Moloka‘i, 4.6 percent.

Conversely, during the first half of the year, five ports experienced a rise in exports of agricultural products, while only one port, Maui, saw a decline: Honolulu, up 0.9 percent; Hilo, up 11.1 percent; Kawaihae, 25.4 percent; Kaua‘i, 3.4 percent; and Moloka‘i, 2.1 percent. Maui agricultural exports dropped 11.4 percent in the first half.

Agricultural volume includes only cargo that qualifies for the company’s island product discount of 30 to 35 percent, which applies to locally grown agricultural products. Agricultural cargo volumes for the second quarter and the six-month period ending June 30, 2014 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 the State of Hawai‘i. The Young Brothers Quarterly Shipping Report was initiated in 2012. The company will release its third quarter 2014 results in November 2014.

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 – Second Quarter 2014

<i>Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports</i>						
	Q2 2014	Q2 2013	Percent Change	Six months ended June 30, 2014	Six months ended June 30, 2013	Percent Change
All Ports	34,024	33,936	0.3%	66,543	65,079	2.2%
Kahului, Maui	12,218	12,496	(2.2%)	24,099	23,871	1.0%
Inbound	8,799	8,651	1.7%	17,521	17,582	(0.3%)
Outbound	3,419	3,845	(11.1%)	6,578	6,290	4.6%
Hilo, Hawai'i	8,737	8,545	2.2%	16,911	16,041	5.4%
Inbound	5,806	5,757	0.8%	11,434	11,116	2.9%
Outbound	2,931	2,787	5.1%	5,477	4,925	11.2%
Kawaihae, Hawai'i	5,357	5,368	(0.2%)	10,375	10,197	1.7%
Inbound	3,757	3,685	2.0%	7,487	7,267	3.0%
Outbound	1,600	1,683	(4.9%)	2,888	2,930	(1.4%)
Nāwiliwili, Kaua'i	7,181	7,529	(4.6%)	14,181	14,495	(2.2%)
Inbound	5,686	5,795	(1.9%)	11,275	11,386	(1.0%)
Outbound	1,496	1,734	(13.7%)	2,906	3,109	(6.5%)
Kaunakakai, Moloka'i	1,589	1,698	(6.4%)	3,054	3,205	(4.7%)
Inbound	1,192	1,179	1.0%	2,288	2,310	(1.0%)
Outbound	397	519	(23.4%)	766	895	(14.4%)
Kaunapau, Lāna'i	1,670	1,041	60.4%	3,083	2,020	52.6%
Inbound	1,343	847	58.6%	2,506	1,665	50.5%
Outbound	328	195	68.2%	578	355	62.6%

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 – Second Quarter 2014

<i>Outbound Agricultural Cargo (CPEs)</i>						
	Q2 2014	Q2 2013	Percent Change	Six months ended June 30, 2014	Six months ended June 30, 2013	Percent Change
All Islands	2,051	1,941	5.7%	3,927	3,714	5.8%
O’ahu (Honolulu)	402	437	(8.1%)	781	775	0.9%
Maui (Kahului)	278	325	(14.6%)	574	648	(11.4%)
Hawai’i Island	1208	994	21.5%	2,230	1,957	13.9%
Hilo	943	795	18.7%	1,754	1,578	11.1%
Kawaihae	265	199	32.7%	476	379	25.4%
Kaua’i (Nāwiliwili)	38	52	(26.9%)	100	96	3.4%
Moloka’i (Kaunakakai)	126	132	(4.6%)	243	238	2.1%
Lāna’i (Kaunalapau)	0	0	N/A	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. Due to rounding, CPE numbers presented throughout this document may not precisely reflect the absolute figures.