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Young Brothers Intrastate Cargo Volumes Flat for Third Quarter and Year Agricultural shipments down 4.4 percent for the Quarter and 6.7 percent for the Year

HONOLULU (November 26, 2016) –Young Brothers, Limited announced today that intrastate cargo shipments between Honolulu and six neighbor island ports declined by 0.6 percent in the third quarter, following percentage increases of about the same amount in each of the first two quarters of this year. Volumes remained essentially flat (up 0.2 percent) for the year to date in 2016 compared to the same period of 2015.

"As has been the case for about two years, neighbor island cargo volumes in 2016 continue to move sideways," said Roy Catalani, vice president of Young Brothers. "Our quarterly results over this period have consistently been in a narrow range on either side of even. As we've noted in the past, although cargo volumes are only one indicator of economic activity, our numbers appear to indicate that neighbor island economies lacked a strong economic driver and that this may well be the case through the end of this year."

From July through September of 2016, only one neighbor island port, Kawaihae, experienced a gain in cargo volume (up 3.1 percent). The remaining five neighbor island ports experienced decreases in cargo volumes: Kahului, down 1.7 percent; Hilo, off just 0.1 percent; Kauaʻi, down 1.2 percent; Molokaʻi, down 4.4 percent; and Lānaʻi, down 18.7 percent.

Although statewide volume of interisland shipments of construction materials and heavy construction equipment were at about the same level as last year during the third quarter, at least two ports saw increased construction-related volumes. Inbound cargo volume increased at Kawaihae and Hilo due, in large part, to increased shipments by major construction material providers in support of projects on the Big Island including a federal highway project.

The large cargo volume decline on Lāna'i is relative to the high level of construction activity that had been occurring on the island for the past few years for hotel renovations. This construction activity slowed significantly after the first quarter of 2016, compared to the peak in 2014 and moderately high activity also seen in 2015.

Automobile shipments have been down for the entire year, primarily due to reduced volume from rental car agencies. Shipments of recyclable materials continued to be weak, following the trend of the past several quarters due to the bearish scrap metal market in 2015.

Volume Up 0.2 Percent Through Nine Months Ending September 2016

Overall volume for the first nine months of 2016 barely remained in positive territory, increasing 0.2 percent compared to the same period last year.

Cargo volume declined at five neighbor island ports in the first nine months of the year, while Hilo was the only port to experience an increase at 3.5 percent. Kahului's volume dropped 1.3 percent; Kawaihae, down 3.4 percent; Kaua'i, down 1.1 percent; Kaunakakai, down 3.3 percent; and Lāna'i, down 3.5 percent.

Shipping volumes for the third quarter and the nine-month period ending September 30, 2016 are shown by port in Appendix 1.

Agricultural Cargo Volume Down in Third Quarter and for the Year

In the third quarter, intrastate shipments of locally-grown agricultural products declined by 4.4 percent compared to the same period in the prior year. For the first nine months of the year, agricultural volumes are down 6.7 percent.

Most ports with agricultural exports experienced declines for the third quarter. Shipments from O'ahu were down 6.6 percent; Kaua'i, down 5.2 percent; Moloka'i, down 6.1 percent; and the Big Island, down a combined 11.3 percent. Kahului was the only port to experience an increase at 26.8 percent—a significant improvement from the 1.8 percent increase it witnessed last quarter. Exports of sugar from Maui contributed to this rise in the third quarter, in what is expected to be the last year of large-scale sugar production on the island.

During the first nine months of the year, two ports experienced increases in agricultural volume: Kahului, up 9.0 percent and Kaunakakai, up 0.5 percent. Agricultural volume fell at four ports. Honolulu was down by 5.6 percent; Hilo, down 14.2 percent; Kawaihae, down 7.6 percent; and Kaua'i, down 7.8 percent.

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 third quarter and the ninemonth period ending September 30, 2016 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.

About Young Brothers

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, Kaumalapau, Kaunakakai and Nāwiliwili. For more information, please visit our new website at www.youngbrothershawaii.com.

Appendix 1 Young Brothers, Limited Neighbor Island Intrastate Cargo Volume — Third Quarter 2016

Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports									
	Q3 2016	Q3 2015	Percent Change	Nine months	Nine months	Percent Change			
			Change	ended September 30, 2016	ended September 30, 2015	Change			
All Ports	32,638	32,843	-0.6%	97,230	97,032	0.2%			
Kahului, Maui	11,558	11,757	-1.7%	34,395	34,859	-1.3%			
Inbound	8,448	8,679	-2.7%	25,465	25,797	-1.3%			
Outbound	3,110	3,078	1.0%	8,930	9,062	-1.5%			
Hilo, Hawaiʻi	8,520	8,526	-0.1%	25,295	24,444	3.5%			
Inbound	6,186	5,900	4.9%	18,340	16,792	9.2%			
Outbound	2,334	2,626	-11.1%	6,955	7,652	-9.1%			
Kawaihae, Hawaiʻi	5,517	5,353	3.1%	16,244	16,819	-3.4%			
Inbound	4,052	3,845	5.4%	11,904	12,053	-1.2%			
Outbound	1,465	1,508	-2.8%	4,340	4,765	-8.9%			
Nāwiliwili, Kauaʻi	6,582	6,660	-1.2%	19,749	19,974	-1.1%			
Inbound	5,013	5,056	-0.9%	15,196	15,364	-1.1%			
Outbound	1,568	1,604	-2.2%	4,553	4,610	-1.2%			
Kaunakakai, Molokaʻi	1,454	1,520	-4.4%	4,420	4,573	-3.3%			
Inbound	1,102	1,144	-3.7%	3,355	3,443	-2.6%			
Outbound	352	376	-6.4%	1,065	1,129	-5.7%			
Kaumalapau, Lāna'i	1,093	1,344	-18.7%	3,593	3,723	-3.5%			
Inbound	778	1,036	-25.0%	2,640	2,910	-9.3%			
Outbound	316	308	2.5%	954	813	17.3%			

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 — Third Quarter 2016

Outbound Agricultural Cargo (CPEs)										
	Q3 2016	Q3 2015	Percent	Nine	Nine	Percent				
			Change	months	months	Change				
				ended	ended					
				September	September					
				30, 2016	30, 2015					
All Islands	1,874	1,960	-4.4%	5,520	5,914	-6.7%				
Oʻahu (Honolulu)	487	522	-6.6%	1,452	1,538	-5.6%				
Maui (Kahului)	338	266	26.8%	894	820	9.0%				
Hawai'i Island	891	1,004	-11.3%	2,664	3,035	-12.2%				
Hilo	618	723	-14.5%	1,841	2,144	-14.2%				
Kawaihae	273	281	-2.8%	823	890	-7.6%				
Nāwiliwili, Kauaʻi	39	41	-5.2%	140	152	-7.8%				
Kaunakakai, Moloka'i	119	127	-6.1%	371	369	0.5%				
Kaumalapau, Lāna'i	-	-	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.