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Young Brothers Report: Neighbor Island Cargo Volumes Rise 4.4 Percent In Second Quarter of 2013

*Automobile and Vehicle Shipments Increase
Cargo Volume for First Six Months Even with 2012*

HONOLULU (August 30, 2013) – Young Brothers, Limited announced today that intrastate cargo shipments between Honolulu and six neighbor island ports rebounded in the second quarter of 2013 after falling in the first quarter, according to the **Young Brothers Quarterly Shipping Report**. For the April to June 2013 period, intrastate volume overall rose 4.4 percent compared to the same quarter of 2012.

“Cargo volumes turned around in the second quarter,” said Glenn Hong, president of Young Brothers. “We are optimistic for continuing signs of strength from important sectors of the economy, such as the construction industry.”

The 4.4-percent jump in volume provides a marked recovery from the first quarter of the year, when cargo volumes were down 3.9 percent, according to the Young Brothers’ Quarterly Report – a key barometer of neighbor island economic activity.

During the second quarter of 2013, all but one of the neighbor island ports increased cargo shipments: Kahului, Maui, the largest single port in terms of volume, climbed 3.6 percent; Hilo rose 6.7 percent; Nawiliwili, Kauai, up 7.9 percent; Kaunakakai, Molokai, up 10.5 percent; and Kaunapali, Lanai, up 12.2 percent. The lone decline was at the Big Island port of Kawaihae, which experienced a 1.9-percent drop in volume.

Construction materials and equipment, food and beverage, and recyclables were among the positive drivers during the second quarter, according to Young Brothers. “Nearly half of the second quarter volume growth was driven by higher automobile and other vehicle shipments. Rental-fleet and auto-dealership volumes were particularly strong,” Hong said. “In addition, agricultural cargo and renewable energy cargo, namely bio-diesel fuel, are growing segments. Conversely, U.S. postal shipments continued its downward trend.”

First-Half Volume Even With 2012 Level

The company said overall volume for the first six months was basically flat from a year ago, increasing just 0.1 percent compared to the first six months of 2012.

“The upturn in second-quarter volume helped return our year-to-date volume back to 2012 levels,” Hong said.

Four neighbor island ports experienced an increase in volume for the first half of the year, while volume at two ports declined. Lanai rose 19.8 percent; Kaunakakai, up 6.1 percent; Nawiliwili, up 5.4 percent; and Hilo inched up 0.5 percent. In contrast, volume dropped 8.2 percent at Kawaihae and 1.1 percent at Kahului.

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

Agricultural Cargo Grows by 11.1 Percent in Second Quarter

In the second quarter, agricultural cargo volume statewide increased by 11.1 percent over the year-ago quarter, returning to a trend of double-digit increases in quarterly comparisons after seeing only a slight move upward of 1.2 percent in the first quarter of 2013. For the first six months of the year, agricultural volume is up 6.1 percent.

Five ports experienced an increase in agricultural cargo exports during the second quarter 2013: Kahului, up 28.3 percent; Honolulu, 14.7 percent; Kaunakakai, 11.9 percent; Hilo, 5.8 percent; and Kawaihae, 5.7 percent. Agricultural cargo from Nawiliwili dropped 5.3 percent compared to the year-ago quarter.

Similarly, four ports increased agricultural exports for the first six months: Kahului, up 25.0 percent; Kaunakakai, up 12.6 percent; Honolulu, 10.7 percent; and Hilo, 6.1 percent. However, agricultural cargo from Nawiliwili and Kawaihae declined compared to the same period a year ago, down 27.3 percent and 15.6 percent, respectively.

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 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 third quarter 2013 results in November 2013.

Young Brothers, Limited, with approximately 340 employees across the state, has served Hawaii 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, Kaunakakai, and Nawiliwili. For more information, visit www.youngbrothershawaii.com.

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Appendix 1
Young Brothers, Limited
Neighbor Island Intrastate Cargo Volume – Second Quarter 2013

<i>Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports</i>						
	Q2 2013	Q2 2012	Percent Change	Six months ended June 30, 2013	Six months ended June 30, 2012	Percent Change
All Ports	33,936	32,521	4.4%	65,079	65,015	0.1%
Kahului, Maui	12,496	12,066	3.6%	23,871	24,141	(1.1%)
Inbound	8,651	8,640	0.1%	17,582	17,465	0.7%
Outbound	3,845	3,426	12.2%	6,290	6,677	(5.8%)
Hilo, Hawaii	8,545	8,012	6.7%	16,041	15,965	0.5%
Inbound	5,757	5,302	8.6%	11,116	10,878	2.2%
Outbound	2,787	2,710	2.9%	4,925	5,086	(3.2%)
Kawaihae, Hawaii	5,368	5,469	(1.9%)	10,197	11,108	(8.2%)
Inbound	3,685	3,811	(3.3%)	7,267	7,659	(5.1%)
Outbound	1,683	1,659	1.5%	2,930	3,449	(15.1%)
Nawiliwili, Kauai	7,529	6,975	7.9%	14,495	13,748	5.4%
Inbound	5,795	5,326	8.8%	11,386	10,639	7.0%
Outbound	1,734	1,649	5.2%	3,109	3,109	0.0%
Kaunakakai, Molokai	1,698	1,536	10.5%	3,205	3,019	6.1%
Inbound	1,179	1,116	5.7%	2,310	2,249	2.7%
Outbound	519	420	23.5%	895	770	16.2%
Kaumalapau, Lanai	1,041	928	12.2%	2,020	1,687	19.8%
Inbound	847	712	18.9%	1,665	1,333	24.9%
Outbound	195	216	(9.8%)	355	354	0.5%

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 2013

<i>Outbound Agricultural Cargo (CPEs)</i>						
	Q2 2013	Q2 2012	Percent Change	Six months ended June 30, 2013	Six months ended June 30, 2012	Percent Change
All Islands	1,941	1,747	11.1%	3,714	3,499	6.1%
Oahu (Honolulu)	437	381	14.7%	775	700	10.7%
Maui (Kahului)	325	253	28.3%	648	518	25.0%
Hawaii Island	994	940	5.8%	1,957	1,937	1.0%
Hilo	795	752	5.8%	1,578	1,488	6.1%
Kawaihae	199	189	5.7%	379	449	(15.6%)
Kauai (Nawiliwili)	52	55	(5.3%)	96	133	(27.3%)
Molokai (Kaunakakai)	132	118	11.9%	238	211	12.6%
Lanai (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.