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Contacts: Roy Catalani
Young Brothers
808-543-9409

Kevin Cockett
Cockett Communications Inc.
808-223-6734

Young Brothers Report: Neighbor Island Cargo Volumes Increase 5.2 Percent In Third Quarter of 2013

Cargo Volume Up Nearly 2 Percent Year-to-Date

HONOLULU (Nov. 22, 2013) – Young Brothers, Limited announced today that intrastate cargo shipments between Honolulu and six neighbor island ports increased 5.2 percent from July through September of 2013 when compared to the same period of 2012. This increase follows a 4.4-percent rise in cargo during the second quarter.

“We believe this is another indicator that the broader local economy is continuing to gain strength, and we’re hopeful it’s the beginning of a trend that will sustain itself,” said Glenn Hong, president of Young Brothers. He also noted, “We still have some ground to make up to get back to levels seen six and seven years ago.” When compared to the peak-volume year of 2007, Young Brothers’ 2013 volume is still down approximately 20 percent.

During the third quarter of 2013, every neighbor island port increased cargo shipments: Kahului, Maui, the largest single port in terms of volume, rose 5.5 percent; Hilo climbed 4.2 percent; Kawaihae, up 6.0 percent; Nawiliwili, Kauai, up 5.3 percent; Kaunakakai, Molokai, 4.9 percent; and Kaunapali, Lanai, the smallest port in terms of volume, up 21.6 percent.

Most industry segments finished the quarter with positive comparisons. Shipments of construction materials and renewable energy, namely biofuels, were up strongly, continuing the trend of the previous quarter. Other significant gainers included automobile rental fleets, beverages and the entertainment industry, which includes tourism-related shippers.

Volume Rose Almost 2 Percent During Nine-Month Period

According to the Young Brothers Quarterly Report, overall volume for the first nine months of the year is up 1.8 percent, compared to the first nine months of 2012.

“After six months, volume was basically flat, but the strong quarter moved our year-to-date results into positive territory. It’s good to have this momentum going into the fourth quarter,” Hong said.

All but one of the neighbor island ports experienced an increase in volume for the first nine months of the year. Kahului inched up 1.0 percent; Hilo, up 1.7 percent; Nawiliwili, up 5.4 percent; Kaunakakai, 5.7 percent; and Kaunapali, 20.5 percent. Volume at Kawaihae, down slightly for the year, fell 3.4 percent.

Shipping volumes for the third quarter and nine-month period are shown by port in Appendix 1.

Agricultural Cargo Grows by 5.3 Percent in Third Quarter

In the third quarter of 2013, agricultural cargo volume statewide increased by 5.3 percent over the year-ago quarter, continuing a trend of positive quarterly comparisons, albeit at a more moderate pace. Young Brothers announced an 11.1-percent increase in the second quarter of 2013 and a modest uptick of 1.2 percent in the first quarter. For the first nine months of 2013 agricultural volume rose 5.8 percent.

Four of six ports experienced an increase in agricultural cargo exports during the third quarter 2013: Kawaihae, up 11.8 percent; Nawiliwili, up 7.9 percent; Hilo, 7.2 percent; and Honolulu, 6.4 percent. Agricultural cargo from Kahului was flat at 0.1 percent, while agricultural exports from Kaunakakai fell 7.0 percent compared to the year-ago quarter.

During the first nine months, four ports increased agricultural exports: Kahului, up 15.5 percent; Honolulu, 9.2 percent; Hilo, 6.5 percent; and Kaunakakai, 5.6 percent. Agricultural cargo from Kawaihae dropped 8.5 percent, and Nawiliwili declined 20.2 percent when compared to the same period a year ago.

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 third quarter and nine-month period 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 fourth quarter 2013 results in February 2014.

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, Kaunakakai and Nawiliwili. For more information, visit www.youngbrothershawaii.com.

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

<i>Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports</i>						
	Q3 2013	Q3 2012	Percent Change	Nine months ended Sept. 30, 2013	Nine months ended Sept. 30, 2012	Percent Change
All Ports	33,806	32,126	5.2%	98,885	97,141	1.8%
Kahului, Maui	12,255	11,614	5.5%	36,127	35,755	1.0%
Inbound	9,075	8,831	2.8%	26,186	26,295	(0.4%)
Outbound	3,180	2,783	14.3%	9,941	9,460	5.1%
Hilo, Hawaii	8,626	8,281	4.2%	24,667	24,247	1.7%
Inbound	5,858	5,647	3.7%	16,974	16,525	2.7%
Outbound	2,768	2,635	5.1%	7,693	7,722	(0.4%)
Kawaihae, Hawaii	5,415	5,106	6.0%	15,662	16,215	(3.4%)
Inbound	3,977	3,736	6.5%	11,244	11,395	(1.3%)
Outbound	1,438	1,371	4.9%	4,418	4,820	(8.3%)
Nawiliwili, Kauai	7,242	6,875	5.3%	21,736	20,623	5.4%
Inbound	5,464	5,267	3.7%	16,850	15,906	5.9%
Outbound	1,777	1,608	10.6%	4,886	4,716	3.6%
Kaunakakai, Molokai	1,565	1,492	4.9%	4,770	4,511	5.7%
Inbound	1,130	1,082	4.4%	3,439	3,331	3.3%
Outbound	435	410	6.1%	1,330	1,181	12.7%
Kaumalapau, Lanai	1,188	977	21.6%	3,208	2,663	20.5%
Inbound	967	794	21.8%	2,632	2,127	23.7%
Outbound	221	183	20.8%	576	536	7.4%

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 2013

<i>Outbound Agricultural Cargo (CPEs)</i>						
	Q3 2013	Q3 2012	Percent Change	Nine months ended Sept. 30, 2013	Nine months ended Sept. 30, 2012	Percent Change
All Islands	1,877	1,783	5.3%	5,591	5,282	5.8%
Oahu (Honolulu)	387	364	6.4%	1,162	1,064	9.2%
Maui (Kahului)	320	320	0.1%	968	838	15.5%
Hawaii Island	1,024	948	8.0%	2,981	2,885	3.3%
Hilo	848	791	7.2%	2,426	2,279	6.5%
Kawaihae	176	157	11.8%	555	606	(8.5%)
Kauai (Nawiliwili)	36	34	7.9%	133	166	(20.2%)
Molokai (Kaunakakai)	109	118	(7.0%)	347	329	5.6%
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. CPEs are rounded to the nearest unit; percentage change is based on actual (non-rounded) CPEs.