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**Young Brothers Reports Intrastate Cargo Volumes End Year Flat at 0.1 Percent in 2016**

*Agricultural Cargo Volumes Rebound in 4<sup>th</sup> Quarter, Still End Year Down 4.0 Percent*

HONOLULU (February 21, 2017) –Young Brothers, Limited announced today that intrastate cargo shipments between Honolulu and six neighbor island ports ended the year essentially flat in 2016 at 0.1 percent. The fourth quarter of 2016 was down 0.6 percent compared to the same period of 2015.

“For the year, most ports were lower or flat against the previous year, reflecting a general lack of economic growth drivers. The picture was similar for the fourth quarter,” said Roy Catalani, vice president of Young Brothers.

Earlier in the year, intrastate cargo volumes grew by only 0.6 percent in the first and second quarters and declined by 0.6 percent in the third quarter.

In contrast, most ports were relatively strong in agricultural shipments during the last three months of the year, but agricultural shipments ended the year down 4.0 percent.

For the twelve-month period ending December, overall cargo volumes rose at two neighbor island ports: Hilo, up by 4.1 percent and Kaua'i, up by 0.6 percent. Cargo volumes decreased at the remaining four neighbor island ports: Kahului, down by 1.5 percent; Kawaihae, down 4.8 percent; Moloka'i, down by 3.8 percent; and Lāna'i, down 8.3 percent.

During the fourth quarter, two neighbor island ports experienced gains in cargo volume: Hilo, up 8.3 percent and Kaua'i, up 2.6 percent. The remaining four neighbor island ports

experienced a decrease in cargo volumes: Kahului, the largest neighbor island port in terms of volume, down 2.0 percent; Kawaihae, down 8.8 percent; Moloka'i, down 5.4 percent; and Lāna'i down 20.7 percent.

Construction projects on the Big Island and Kaua'i propped up volumes at the ports of Hilo and Nāwiliwili, but other construction-related shipments statewide were down during the year and the fourth quarter, in part due to the completion of large projects on Lāna'i last year. A decrease in automobile shipments also contributed to lower overall volumes for the year. Shipments by rental car agencies and automobile dealerships dropped particularly in the fourth quarter, as typical fourth quarter volumes did not materialize as expected.

Food shipments were stronger, in part because of changes in shipping methods, which primarily increased volumes to Hilo. Another industry that rebounded at the end of the year was the waste and recycling sector, though they remained down for the year due to prolonged weakness in recyclable materials prices in prior quarters.

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

### **Agricultural Cargo Volumes Increase in Fourth Quarter, but Down for the Year**

For 2016, statewide agricultural volume ended the year down 4.0 percent, because of low volumes throughout the earlier part of the year. However, in the last three months of the year, statewide agricultural cargo volume increased by 4.6 percent from the same period last year, the first increase in agricultural volumes since the first quarter of 2015.

From January through December 2016, agricultural exports were down 1.5 percent on O'ahu; down 8.7 percent in Hilo; down 10.1 in Kawaihae; down 4.7 percent on Kaua'i; and down 0.6 percent on Moloka'i. Maui was the only port to experience an increase in cargo volumes at 9.8 percent.

In the fourth quarter, agricultural volumes on O'ahu experienced an increase of 13.0 percent; Maui was up 12.6 percent; Hilo up 9.2 percent; and Kaua'i up by 5.1 percent. Two ports witnessed a decrease in agricultural volumes: Kawaihae saw a 16.7 percent decrease and Moloka'i was down 4.3 percent in exports of agricultural cargo.

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 2016 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 2017 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 our new website at [www.youngbrothershawaii.com](http://www.youngbrothershawaii.com).

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

Container/Platform Equivalents (CPEs) Between Honolulu and Neighbor Island Ports						
	Q4 2016	Q4 2015	Percent Change	Year ended December 31, 2016	Year ended December 31, 2015	Percent Change
<b>All Ports</b>	31,593	31,773	-0.6%	128,854	128,751	0.1%
<b>Kahului, Maui</b>	11,031	11,251	-2.0%	45,414	46,092	-1.5%
Inbound	8,369	8,632	-3.1%	33,834	34,424	-1.7%
Outbound	2,663	2,619	1.7%	11,581	11,668	-0.8%
<b>Hilo, Hawai'i</b>	8,739	8,071	8.3%	34,032	32,699	4.1%
Inbound	6,335	5,684	11.4%	24,675	22,665	8.9%
Outbound	2,405	2,387	0.7%	9,357	10,034	-6.7%
<b>Kawaihae, Hawai'i</b>	5,279	5,790	-8.8%	21,515	22,601	-4.8%
Inbound	3,917	4,410	-11.2%	15,821	16,460	-3.9%
Outbound	1,362	1,381	-1.4%	5,694	6,141	-7.3%
<b>Nāwiliwili, Kaua'i</b>	6,101	5,947	2.6%	25,872	25,710	0.6%
Inbound	4,894	4,726	3.6%	20,119	19,889	1.2%
Outbound	1,207	1,221	-1.1%	5,753	5,821	-1.2%
<b>Kaunakakai, Moloka'i</b>	1,355	1,433	-5.4%	5,777	6,005	-3.8%
Inbound	1,059	1,104	-4.1%	4,416	4,548	-2.9%
Outbound	296	329	-10.0%	1,361	1,457	-6.6%
<b>Kaumalapau, Lāna'i</b>	1,075	1,355	-20.7%	4,656	5,077	-8.3%
Inbound	874	1,026	-14.8%	3,514	3,934	-10.7%
Outbound	201	330	-39.0%	1,142	1,143	0.0%

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 2016

Outbound Agricultural Cargo (CPEs)						
	Q4 2016	Q4 2015	Percent Change	Year ended December 31, 2016	Year ended December 31, 2015	Percent Change
<b>All Islands</b>	1,904	1,819	4.6%	7,424	7,734	-4.0%
<b>O'ahu (Honolulu)</b>	485	429	13.0%	1,936	1,967	-1.5%
<b>Maui (Kahului)</b>	250	222	12.6%	1,144	1,042	9.8%
<b>Hawai'i Island</b>	1,003	1,000	0.3%	3,667	4,035	-9.1%
Hilo	717	656	9.2%	2,557	2,801	-8.7%
Kawaihae	286	344	-16.7%	1,109	1,234	-10.1%
<b>Nāwiliwili, Kaua'i</b>	50	48	5.1%	190	200	-4.7%
<b>Kaunakakai, Moloka'i</b>	116	121	-4.3%	487	490	-0.6%
<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.