



ALEXANDER & BALDWIN

A&B Properties Joins the MacNaughton and Kobayashi Groups to Develop Hokua; Combined Talent Will Quickly Move Project Forward

April 23, 2003

HONOLULU, Apr 23, 2003 (BUSINESS WIRE) -- A&B Properties, Inc., the real estate subsidiary of Alexander & Baldwin, Inc. (Nasdaq:ALEX), has signed a letter of intent with MK Management, LLC, formed by The MacNaughton Group and The Kobayashi Group, for "Hokua at 1288 Ala Moana," Honolulu's newest luxury residential condominium. A&B Properties will be both a joint development and financial partner in Hokua.

Hokua is a 40-story tower comprising 247 fee simple residential units and commercial space, to be constructed on four acres on Ala Moana Boulevard, directly overlooking Ala Moana Beach Park. Total development cost is estimated at approximately \$210 million, with construction scheduled to begin later this year. A&B's total investment of equity and mezzanine debt will be \$40 million, and is subject to project financing and completion of the partnership documentation.

"A&B is extremely pleased to be part of such a strong team," said Allen Doane, president and CEO of Alexander & Baldwin, Inc. "We have worked together effectively with some of MK Management's principals on other projects, and we look forward to working with MK on Hokua. Our shared goal is to create Honolulu's finest residential high-rise condominium. Our participation in this development opportunity," continued Doane, "further demonstrates our commitment to and confidence in Hawaii's future."

"We were attracted to this project for many reasons," added Stanley Kuriyama, CEO of A&B Properties, "but the two most important reasons were the quality of our partners and the quality of the project. The MacNaughton and Kobayashi Groups are both highly regarded companies, with long and successful track records of real estate development in Hawaii. The project site is unique. Hokua has a great combination of immediate proximity to the Victoria Ward entertainment, dining and retail establishments and the Ala Moana Beach Park, and incredibly panoramic, unobstructed ocean views from each residence."

Duncan MacNaughton, chairman of The MacNaughton Group, said, "A&B is an ideal partner. They bring to the project considerable development know-how, financial expertise, and, importantly, local knowledge and sensitivity to the community. We have a lot of respect for their management team and believe they will complement our team in many very positive ways."

Hokua's reception in the marketplace has been extraordinary. "We began marketing the project in early December 2002," said Bert Kobayashi, chairman of The Kobayashi Group. "We currently have signed sales contracts for 227 of the 247 residential units. Buyers have been strongly attracted to the large apartment sizes, high quality construction and finishes, and the lifestyle represented by a luxury residence in an urban setting, with Ala Moana Park and the Pacific Ocean on their doorstep."

Construction is scheduled to commence later this year and be completed in late 2005. A variety of two- and three-bedroom floor plans, ranging from 1,500 to 4,500 square-feet, will comprise the majority of the residential tower, with three deluxe custom penthouses on the top floor, which will include private, roof top terraces. Two-bedroom residences range from \$535,000 - \$1,635,000 and three-bedroom residences range from \$650,000 - \$3,900,000. The top floor penthouses are priced above \$4.5 million.

A&B Properties, Inc. is the real estate development and property management subsidiary of Alexander & Baldwin, Inc., which owns and manages over 91,000 acres in Hawaii, and a portfolio of commercial income properties of more than five million square feet in Hawaii and the western United States. These extensive land holdings include 69,000 acres on Maui and 22,000 acres on Kauai. Just last month, A&B Properties completed the acquisition of 1100 Alakea, a 31-story office building in downtown Honolulu, which A&B intends to convert into fee simple Class A office condominium units.

Over the last four years, A&B Properties has acquired or invested in 15 Hawaii properties outside its core land holdings on Maui and Kauai (not including Hokua). The company has 12 separate commercial and residential projects in various stages of development on Oahu, Maui, Kauai and the Big Island, with the largest being the Kukui'Ula project, a resort residential development planned for 1,045 acres, adjacent to the Poipu resort on Kauai.

With the Hokua project, A&B Properties joins two of Honolulu's most respected development firms, The MacNaughton Group and The Kobayashi Group. Their portfolio of projects ranges from the new Kapolei Kai homes and the luxurious Kukio Golf and Beach Club to the 760,000 square-foot Waikele Center. The MacNaughton Group has also developed, owns and operates all Starbucks and Jamba Juice Stores in Hawaii, while the Kobayashi Group's recent acquisitions include the Mililani Golf Course and the 450 room Ocean Resort Hotel.

A&B's major lines of business are transportation (Matson Navigation Company, Inc., Matson Intermodal Systems, Inc.); property development and management (A&B Properties, Inc.); and food products (Hawaiian Commercial & Sugar Company, Kauai Coffee Company). Additional information about A&B may be found at its web site: www.alexanderbaldwin.com.

Statements in this press release that are not historical facts are "forward-looking" statements that involve a number of risks and uncertainties such as those described on page 19 of the Company's Annual Report on Form 10-K, which is incorporated in the Company's 2002 annual report to

shareholders. These factors could cause actual results to differ materially from those projected in the statements.

CONTACT:

A&B

Meredith J. Ching, 808/525-6669

mching@abinc.com

or

MK Management, LLC

Joyce Timpson, 808/537-4049