



ALEXANDER & BALDWIN

A&B'S Alakea Corporate Tower Sold Out; Downtown Office Tower Now Fee Simple Home to Businesses

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HONOLULU--(BUSINESS WIRE)--March 17, 2005--Two years after A&B Properties, Inc., the real estate subsidiary of Alexander & Baldwin, Inc. (NASDAQ:ALEX), acquired a 31-story office tower in Honolulu, it has transformed the building into a class "A" office condominium and sold out all 31 floors of fee simple office condominiums to an impressive group of new owners.

"A&B recognized the building was a high quality asset and knew we could reposition it as class 'A' fee simple office condominiums," explained Michael Wright, senior vice president of investments & acquisitions for A&B Properties. "At the time A&B purchased the building, in March 2003, we began improvements and upgrades, and then commenced marketing in October. While the building was more than 50% vacant, it allowed us the opportunity to sell units unencumbered by tenant leases to owner users. We believed that conversion condominiums would provide a rare opportunity for downtown professionals to purchase their own office space; we knew the interest rate environment was very favorable; and we knew there was an unmet need in the market. In fact, the response was tremendous."

The condominium apartments were marketed as full-floor units (5,500 square feet) or half-floor units. The average sales price of a full-floor unit was more than \$1 million. The buyers include some of Hawaii's most prominent real estate professionals and business owners, such as AM Partners, Barnwell Industries, Cavanah & Associates, Cutter Management, Dorvin Leis and Company, Jeff Long and Associates, Kobayashi Group, Ko'Olina Ocean Marina Estates, Stanford Carr Development, and Queen Liliuokalani Trust.

A&B Properties Project Manager Dean Hirabayashi, responsible for overseeing project sales, said, "A&B's repositioning of the Alakea Corporate Tower is an excellent example of providing important options for Hawaii's business community, with savvy business owners and investors jumping at the opportunity. And, by teaming with an exceptional brokerage team at CB Richard Ellis of Hawaii, we had an incredible sales pace. We are very pleased with the outcome."

Upon purchase of the fee simple property, A&B Properties renamed the building Alakea Corporate Tower. It contains 170,000 square feet of area, including office and ground floor retail space; a high-tech conference room; six glass exterior elevators; and extensive granite and marble throughout. The building is located at 1100 Alakea Street in downtown Honolulu.

A&B owns 91,000 acres in Hawaii, making it Hawaii's fifth largest private landowner. A&B Properties is one of Hawaii's most active real estate companies. The majority of A&B's recent acquisition and investment activity has been focused on Hawaii where, since 1999, A&B Properties has acquired or invested in 23 Hawaii properties outside its core land holdings on Maui and Kauai. These transactions represent a total capital commitment approaching \$500 million. A&B also has a leased portfolio comprising more than 5.1 million square feet of leasable retail, office and industrial space on the Mainland and in Hawaii. Additional information may be found at its web site: www.abprop.com.

A&B Properties, Inc. is the real estate subsidiary of Alexander & Baldwin, Inc., a diversified corporation headquartered in Honolulu. A&B's major lines of business are ocean transportation (Matson Navigation Company, Inc.); real estate (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.

NOTE TO EDITOR: For a digital photo/scan of this property, please contact lhowe@abinc.com.

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